Social Security Bulletin

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CONTENTS

for

DECEMBER 1942

The Social Security Yearbook for 1941, a calendar-year supplement to the Social Security Bulletin, has just been issued (288 pp., including 139 tables and 46 charts). In addition to summary data on the operation of the social security programs, the Yearbook carries special articles on legislative trends in unemployment compensation, 1937–41, and on eligibility under the old-age and survivors insurance program and under approved State plans for public assistance. Distribution by the Social Security Board is restricted to administrative and research personnel of official agencies concerned with the operation of the social security program; requests for copies for administrative use should be sent to the Social Security Board, Washington, D. C.

The Yearbook is on sale at 70 cents a copy; orders with accompanying remittance should be sent directly to the Superintendent of Documents, Government Printing Office, Washington, D. C.

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Volume 5 DECEMBER 1942 Number 12

Social Security in Review

Unemployment compensation payments dropped in October to the lowest point for any month since January 1938, with decreases in every jurisdiction except Alaska. The $16.9 million paid out in benefits, the estimated 401,000 different recipients, and the 1.3 million man-weeks of compensated unemployment were all a fourth less than the September figures. Seventy percent of the total amount disbursed was concentrated in the industrial States of Illinois, New York, California, Michigan, New Jersey, and Pennsylvania; in October 1941 these States accounted for 58 percent of the total. One-third of the States, on the other hand, paid out less than 1 percent of the total.

Increases in both agricultural and nonagricultural placements continued during October; 1.5 million jobs were filled by the U. S. Employment Service, 10 percent more than in September and more than for any month since 1933, when placements on public work projects were an important part of the total. Agricultural placements of 849,000, of which more than two-thirds were concentrated in California, Mississippi, Tennessee, and Texas, were 14 percent above the record number in September; nonagricultural placements increased 5 percent to 682,000, the highest number for any month since 1935. Approximately 10 percent more women were placed in nonfarm jobs this October than last, although they formed a smaller proportion of the total.

Monthly old-age and survivors insurance benefits of $11.7 million were in force at the end of September for 646,000 beneficiaries, an increase in either case of 3 percent from August and of 50 percent from September 1941. More than 23,500 beneficiaries were added to the rolls during the month, and 4,100 benefits were terminated. Preliminary estimates indicate that $11.0 million was certified in October for 588,000 monthly beneficiaries.

Expenditures for public assistance and earnings under Federal work programs in the continental United States declined in October for the seventh consecutive month, mainly because of reductions in general assistance and in the WPA program. Total expenditures of $104 million for October represented declines of 1.2 percent from September and of 36 percent from October 1941. Payments for the three special types of public assistance, less than 1 percent above the September level, were 7 percent higher than in October a year ago; the number of recipients decreased from September in all three programs, but only under aid to dependent children were recipients—both families and children—fewer than in October 1941. General assistance payments and WPA earnings were 32 and 60 percent, respectively, below those of a year ago; recipients of general assistance were 37 percent less, and the number of persons employed on WPA projects dropped 65 percent. A discussion of the effect of employment opportunities on the needs of public assistance recipients during the period September 1940–September 1942 is carried elsewhere in this issue.

Prompt liquidation of the WPA was directed by the President on December 4 in a letter to Philip B. Fleming, Federal Works Administrator. All project operations are to be closed out by February 1, 1943, in most States and as soon thereafter as feasible in the others. The President pointed out that, although the WPA rolls have greatly decreased through the tremendous increase in private employment and the training and reemployment efforts of the WPA, certain groups still remaining on the rolls may need assistance from the States and localities; others will be able to work on farms or in industry at prevailing rates of pay. Some of the present certified war projects may have to be taken over by other units of the Federal Works Agency or by other departments

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of the Federal Government. State or local projects should be closed by completing useful units of such projects or by arranging for the sponsors to carry on the work.

In the 7 years of its existence, the President said, the WPA "has added to the national wealth, has repaired the wastage of depression and has strengthened the country to bear the burden of war. By employing eight millions of Americans, with thirty millions of dependents, it has brought to these people renewed hope and courage. It has maintained and increased their working skills; and it has enabled them once more to take their rightful places in public or in private employment. . . . The knowledge and experience of this organization will be of great assistance in the consideration of a well-rounded public works program for the postwar period."

By an Executive Order signed December 5, the President transferred the Selective Service System to the War Manpower Commission, enlarged the powers of the U. S. Employment Service, gave the Commission Chairman exclusive charge of the training of workers for vital industries, and stopped voluntary enlistments in the Army and Navy. Representatives of all executive departments and agencies with activities in the field of manpower are made members of the War Manpower Commission.

At a press conference on December 7, Mr. McNutt announced that, with the completion of the transfer of the U. S. Employment Service from the Social Security Board to the War Manpower Commission, Arthur J. Altmeyer, Chairman of the Social Security Board, who has been serving as Executive Director of the Commission, and John J. Corson, Director of the Board's Bureau of Employment Security, who has been serving as Chief of the Commission's Division of Industrial and Agricultural Employment, have indicated their desire to devote their full time to the Board's programs, to strengthening the social security system as a wartime necessity as well as a postwar protection. "I am in full accord as to the importance of social security," Mr. McNutt said, "and must, therefore, reluctantly concur in their decision." He added that Mr. Altmeyer would continue to serve as the representative of the Federal Security Agency in the War Manpower Commission.

Sir William Beveridge's report on British social insurance and allied services was presented to Parliament on December 1. At the time of going to press, only a summary, broadcast by official British wireless, was available. The proposed plan builds on the existing insurance systems but expands them to cover the entire population, without regard to income limits. Comprehensive medical treatment and rehabilitation, as well as funeral expenses, would be available for everyone. Wage earners, in addition, would receive benefits for unemployment, disability, and old-age retirement. Others gainfully occupied—employers, traders, and independent workers of all kinds—would be eligible for all but unemployment benefits and disability benefits during the first 13 weeks of disability. Housewives, i. e., married women of working age, would acquire rights to retirement pensions on the basis of their husbands' contributions; they would also have the protection of maternity grants and provision for widowhood and separation. Other persons of working age but not gainfully occupied would receive all but unemployment and disability benefits. For children under working age, children's allowances paid by the Exchequer are proposed—for all children when a responsible parent is receiving an insurance benefit or pension, for all except the first child in other cases. Aged wage earners would receive a retirement pension, to be paid at any time after age 65 for men and 60 for women. Training benefits would be provided for all groups not eligible for unemployment benefits, to assist them in finding a new livelihood if their present one fails; unemployed wage earners who have drawn unconditional benefits for a limited period and who are available for work would also be required to attend a work or training center as a condition of remaining on benefit. For a limited number of cases of need not covered by social insurance, national assistance subject to a uniform means test would be provided.

The plan is based on the concept that all groups, except in the case of children's allowances, would contribute toward their own and the general security. The contributions would be scaled to the benefits provided, and one weekly contribution would cover all benefits for which the individual was eligible. The weekly contribution with respect to benefits for an employed man, for example, would be 7s. 6d.—4s. 3d. paid by the insured

man and 3s. 3d. contributed by his employer; for an employed woman the weekly contribution would be 6s., of which 3s. 6d. would come from her wages and 2s. 6d. would be paid by her employer. The total cost of the proposed benefits is estimated for 1945 as follows: to the National Exchequer, £351 million instead of £265 million under existing commitments; to insured persons, £194 million instead of £69 million; to employers, £137 million instead of £83 million.

Administration would be centered in a Ministry of Social Security, which would take over, so far as necessary, the present work of other Government departments and of local authorities. Medical treatment would be provided by a national health service organized under health departments; the plan envisages comprehensive medical treatment including—in addition to the services of a general practitioner—hospital, dental, and ophthalmic services, convalescent homes, and the cost of medical rehabilitation.

Sir William Beveridge, who alone wrote and signed the report, was chosen in June 1941 by Arthur Greenwood, then Minister Without Portfolio in charge of reconstruction, to make the survey of existing systems of social insurance and allied services of which the report was the outgrowth. He was assisted by an Interdepartmental Committee on Social Insurance and Allied Services. During the time the report was taking shape, Sir William and the Committee received recommendations from various governmental and nongovernmental organizations, some of which are summarized in this issue of the Bulletin.

Social Security and Post-War Planning

George E. Bigge *

In spite of our preoccupation with the war in these days and partly because of the profound effect which the war is bound to have on our mode of life both now and in the post-war years, we find ourselves doing more social and economic planning than ever before. All groups in the community, workers and employers, rich and poor, urban and rural, are equally interested. Each of us is wondering just what the new world which we are planning has to offer him.

That is not only inevitable, but it is as it should be. We can do a better job of fighting the war if we have some notion, not only of what sort of world we are fighting for—as outlined in the Atlantic Charter, for example—but also what sort of Nation, and what sort of community. And more particularly, what stake the individual will have in that community. The world is a big place, and it is difficult for us as individuals to see our own stake in it clearly enough to be willing to sacrifice much for it day by day. We must see what that new world means to each of us here at home, where we live. If we can see that clearly, it will be much easier for us to make the sacrifices which will certainly be necessary in order to achieve the end for which we are fighting.

The last time we went to war, it was "a war to end war," a war "to make the world safe for democracy." It didn't end war because it didn't make the world safe for democracy. Only 20 years after the complete defeat of the autocratic powers, the dictators were challenging, in a more direct and formidable way than ever before, the whole democratic philosophy. One of the reasons why this thing could happen is that we in the democracies were not sufficiently clear in our own minds as to what democracy really means—what it has to offer to the individual citizen. We haven't solved the problem of assuring all of our own people a reasonable stake in the welfare which we expect such democracy to provide.

Of course, economic welfare is not the only thing we live for. Today thousands of men, and women as well, are flinging personal security to the winds to serve the Nation. But they will do it the more readily if they feel that, when the war is over, their Nation will see to it that freedom from want and freedom from fear are achieved here at home. Our social security program can be an important means of achieving this freedom.

In considering this problem, it is necessary to make certain assumptions. If we were to assume that the Government, to assure a minimum of food and clothing, and housing, would find it necessary to operate these industries directly, as it operates the school system to provide education, then we might come out with one answer. But if we assume that these industries are to be operated by private enterprise, the answer will be quite different. And I am assuming that we do plan to continue a system of private enterprise. Democracy, it seems to me, requires that. It emphasizes the supreme importance of the individual human being with his initiative and his enterprise, his peculiar individual qualities and contributions. So I assume that we shall face our post-war problems under a system of individual initiative, private enterprise—whatever you choose to call it. What we are looking for is not a substitute for this system, but a device to make it work more equitably.

It is sometimes suggested that, if we are to have private enterprise, the employer should be required to provide security for his employees. But a little thought will convince us that this is impossible. An individual employer cannot guarantee all his workers a continuous and adequate income. He has no more assurance than the worker that the community will keep him continuously employed, that is, keep him in business. They are both dependent on the market. Some employers are lucky enough to have fairly regular markets so they can keep their workers employed, but, in the main, modern industry changes so rapidly in response to changes in demand and changes in methods of production that both worker and employer must be constantly free to make adjustments if we hope to have anything like full employment.

If a maker of shoes, for example, develops a way to produce the shoes the community will buy from him with half his former labor force, there is no

*Member, Social Security Board. Address delivered at a War Labor-Management Conference, Oklahoma City, Okla., November 5, 1942.

reason why he should be expected to keep the other half employed. These workers are now free to produce something else—hats or coats or books or music—but this is somebody else's job. If an employer pays good wages fairly regularly to those workers whom he needs, to produce the goods which we will buy from him, and passes on to the consumer the benefits of improvements, he has probably done his part. But if we, as a community, want the benefit of private enterprise with its initiative, its flexibility, its new inventions and new industries, then it is our duty to make some provision for those workers who are deprived of their income by industrial changes which benefit the rest of us. That is not the individual employer's responsibility. We, as a community, must devise some system through which all employers and all workers can cooperate to guarantee to the individual worker the needed protection against loss of income and still leave both worker and employer free to make any adjustment necessitated by industrial changes. Social insurance is the best method yet devised for doing this.

So it seems to me that social insurance is an essential addition to modern industrial organization under a system of private enterprise. How far should our social insurance program be expanded? Will it, if so expanded, meet the demands which are likely to be made upon it? Is this an opportune time to undertake such an expanded program?

Benefits to Aged Workers and Their Survivors

How far the program should be expanded depends largely upon how much remains to be done. The Social Security Act as amended in 1939, in addition to providing aid for crippled children, maternal and child welfare services, and certain other benefits administered by other agencies, sets up under the Social Security Board three types of programs—old-age and survivors insurance, public assistance, and unemployment compensation. Old-age and survivors insurance covers all employees except those in special fields, chiefly agricultural, domestic service, nonprofit organizations, and Government employment. This is the program supported by the pay-roll taxes paid equally by employers and employees. Some 60 million workers now have wage records under the old-age and survivors insurance program. More than 500,000 are drawing benefits, and many more would be eligible if they chose to retire, but jobs are easy to get and they prefer to work. Benefits are also being paid under the program to aged wives and children of retired wage earners and to widows, children, and dependent parents of deceased wage earners. The survivors' benefits are more important to the worker at present than retirement benefits, because millions of workers who have wives and children or dependent parents know that, if anything should happen to them, their dependents would be assured some regular income.

The benefits being paid are not large, but they do provide for millions of workers a kind of protection which they never had before. The average monthly benefit for a single worker when he retires is about $23; for a man and wife, about $35; and for a surviving wife with two children, about $46.50. And this is theirs in addition to any other insurance or savings or property which the family may have. No means test is applied.

We believe this program should be extended to the groups now excluded, and expanded to protect the worker against additional risks which are not now covered. The chief reason that agricultural workers and domestic workers in private homes were not covered was the difficulty of administration. But after several years' experience, we are satisfied that the program can be applied to both groups without imposing any undue burden on either the worker or the employer. Employees of nonprofit institutions present no administrative problems. They were excluded primarily because educational and religious institutions did not wish to come in. Since that time, many who originally opposed coverage have asked that the program be extended to them, and it seems likely that some formula can be worked out that would secure the desired protection and yet avoid most of the problems which disturbed some of the leaders in this field.

Government employees, at least some important groups, were likewise opposed to coverage, partly because they already enjoyed more liberal retirement rights than those provided by the social security program. But thousands of the workers recently entering Government employment are now losing the protection which they had in private employment without acquiring comparable protection under any governmental system. It is

very important that some arrangement be made to continue the social insurance rights of those who shift from private employment to Government employment and probably back again, whether their work for the Government is in the regular departments, in arsenals or Navy yards or munitions plants, or in the armed services. The simplest arrangement would be to cover all Government employees in the same way as private employees are covered, adjusting any special retirement plans to this basic program just as many private employers have adjusted their retirement plans to the social security program.

Another group who have been asking and should receive protection are the small employers. Many small business men have complained that they are required to contribute for the security of their employees but are not permitted to acquire similar protection themselves. Several millions of people on the farm are partly employers and partly employees and should be covered in both capacities so that they may receive maximum protection. The Board feels that the old-age and survivors insurance program could and should be extended to cover these groups.

There is a special advantage in such broad extension of the system which is not at first apparent. As it is now, millions of workers—and their employers—contribute to the program, but the workers will never get any benefits because they never earn quite enough to be eligible. In order to qualify for old-age benefits, for example, one must earn a specified amount ($50) in at least half of the calendar quarters since the program started. For survivor protection the wage earner must have received wages in covered employment for at least 6 out of the last 12 quarters. But many workers shift from one kind of work to another and do not spend half their time in covered employment. So they get no protection. If practically all occupations were covered, this could not happen. Millions more would then be eligible for benefits, and all their earnings would be counted in determining the size of the benefit they get. Broad extension, therefore, is of advantage not only to those now excluded but also to those who are already covered for a part of their earnings.

Sickness and Disability Risks

Not only should more people be covered, they should be protected against other risks. Disability is one of the greatest risks of the wage earner. At any given time there are in this country about 2.5 million persons suffering from disabilities which have continued for a year or more. At least one-third of these individuals would have been in the labor force except for their disability. Yet very few of them have any protection against such loss of income. We believe there should be added to the old-age and survivors insurance program provision for benefits in case of disability. The same reports and records would be used, and the benefits could be the same as in case of old age or death.

The Board also believes it would be desirable to provide a cash allowance for a limited period in case of hospitalized illness. Nearly half the money spent in connection with sickness is spent in cases which involve hospitalization, and hospital costs are nearly half the total expenditures in these cases. While the total amount spent for hospitalization of wage earners is not large, the burden in any one case may be extremely heavy, and every wage earner is in danger of facing such a burden. If by a system of insurance the total cost is distributed over the whole group, the cost per worker is relatively small and all will be protected in case the misfortune strikes them.

The Assistance Programs

In order to care for the many needy groups until the old-age and survivors insurance program can get fully into operation, and even thereafter to care for those who for various reasons are not eligible under that program, a system of public assistance was set up to provide aid, on the basis of need, to the aged, to the blind, and to dependent children. The Federal Government pays approximately half the cost of these programs. Certain standards are prescribed in the Federal law, but in the main the State decides who shall be helped, how much they shall have, and the like.

In the last fiscal year the States and the Federal Government together spent $742 million on these programs and aided approximately 3¼ million persons. These payments do a lot of good, but as a whole the programs have serious faults. In the first place, too large a portion of Federal money goes to a few States which are willing and able to pay high benefits, and relatively little help

is given to the poorer States. This situation exists because the Federal Government, under the provisions of the Social Security Act, can now spend in any State only as much as the State is able to spend from its own funds. The result is that the Federal Government is paying some of the more wealthy States an average of $17 or $18 per person on the old-age assistance rolls, and in some of the poorer States it is paying only $4 to $5 per person. Such a procedure doesn't serve the purpose very well. Presumably, the Federal Government is providing funds because the States are unable adequately to care for those in need. Yet we give most of the Federal money to States which need it least. Last year one wealthy State with 6 percent of the country's aged population received as much Federal money for old-age assistance as did 20 poorer States which had 21 percent of the aged population. If this system is to work, some provision must be made to send a larger proportion of Federal money into those States which need help most.

The same situation exists in the case of dependent children. Unfortunately, the States which have the largest proportion of children in their population are among those with the lowest per capita income. South Carolina, for example, has 41 children per hundred population. California has only 24. At the same time, the per capita income in South Carolina is only about one-third that in California. It is safe to say that South Carolina has a larger proportion of needy children. And yet, a year ago, California spent four times as much per capita on dependent children as did South Carolina.

Then, too, it appears that a disproportionate amount is spent on the aged as compared with children. In this country there are more than 33 million children under 15 years of age and only 9.4 million persons over 65. I think we may assume that at least as large a proportion of the children as of the aged are in need. As pointed out earlier, children are concentrated rather heavily in the poorer communities and, it may be added, in the poorer families. The family composition study, based on a survey made in 1935 and 1936, shows that one-third of all nonrelief families with three or more children had yearly incomes of $1,000 or less. In other words, one-third of the families with three or more children had less than $20 a week to live on. And these were only the families who had not resorted to relief at any time in the year. In addition, there were 6 million families who had been on relief at some time during the year and, we may assume, were even more in need. It is, therefore, safe to say that as a group children are at least as needy as aged people. And yet, with only one-third as many aged persons as children, we are spending almost four times as much to help the aged as we are to help children. Why? If we are to build a better world for the future, we must make sure that the citizens of tomorrow are today given the essentials of a decent existence.

Moreover, while the public assistance program helps many of the aged and blind and dependent children, there are many others, equally needy, to whom the Federal Government gives no help at all. An "aged" person must be 65—that is reasonable—but there are persons aged 64 or 60 or 59 who are just as much in need. Children whose father is incapacitated or unemployed may be just as much in need as those whose father is dead or has left home. Yet the Federal Government does not match payments made to such persons, and many States which have only limited funds use their funds where they can get Federal matching and leave other groups of needy people largely uncared for. One State which spent $5.74 per inhabitant last year for aid to persons over 65 years of age, spent only 15 cents per inhabitant for general assistance to those under 65. To assure reasonably equitable treatment of all needy persons, it seems to me, the Federal Government should help the States equally for all needy groups.

The Problem of Unemployment

The third program under the Board's general supervision is unemployment compensation. It can probably be said without fear of contradiction that the biggest single problem in the post-war world will be unemployment. And in this field we are the least prepared. It is true there are many plans being made for "full employment" in the post-war period, but I am inclined to think we shouldn't expect too much of them. It is one thing to say that, if industry fails to provide work for those who want it, the Government will do so, and quite a different matter to decide what the Government will have such people do, and where, at what wages, and so forth. And it is a still more

difficult problem to arrange matters so that presently the people so employed will be drawn back again into some kind of private employment. Some time we shall have to face the problem of shifting millions of workers and billions of dollars worth of productive equipment from production for Government to production for the market; of creating, in the process of production, the dollar income necessary to buy and to pay for the goods produced, instead of having them paid for in large part by bank credit created for that purpose on Government account. We have not yet demonstrated that we can solve that problem without experiencing mass unemployment. To talk glibly of "full employment" only tends to lull us to sleep so that when the time comes we shall be as unprepared as we were in 1930–39.

Whatever else we do, it seems clear that we should have a strong national unemployment insurance program to absorb the first shock, to give us time to put other plans into operation, and give the worker some income while he makes the necessary adjustments. I regret to say that our existing unemployment compensation program does not seem likely to meet these needs. Even in normal times several defects in the State systems were becoming apparent. Benefits were by no means adequate to meet the extent of unemployment. The weekly payments were often unduly small, and they were paid for too short a period. Even in 1941, a year of relatively high employment, more than two-fifths of the individuals who drew benefits were still unemployed when their benefit rights were exhausted. Certainly such a system cannot give us much help in the kind of situation we shall face when the war is over.

The most important shortcoming of our present unemployment compensation program, however, lies in the fact that while unemployment is clearly a Nation-wide problem, we are trying to deal with it through separate State laws. Unemployment may be centered to a considerable extent in a few States, but it is scarcely reasonable to expect these States to deal with the problem single-handed. One State may have relatively little unemployment and so can pay fairly liberal benefits with a small contribution, while another State may have so much unemployment that a similar level of benefits would cost 8 or 10 percent of pay roll, or more. In the post-war years particularly, when unemployment will in general be traceable to war causes, individual States which are hard hit can scarcely be expected to bear the cost of a reasonably adequate unemployment compensation system. Some plan must be devised to deal with this national problem on a national basis.

Two possibilities suggest themselves. One is to continue the State system but amend the Federal law to provide minimum standards which must be met before a State may be eligible for Federal assistance. Then the Federal Government would need to collect a larger proportion of the total contributions and use these funds to meet the extra cost of paying the minimum benefits in those States which have a large volume of unemployment. The Federal Government would thus act as a re-insuring agency for the State funds in any case where the State was willing to meet the specified minimum standards.

The second alternative would be to establish a Federal system of unemployment compensation similar to the old-age and survivors insurance program, as the President suggested to Congress some time ago. This procedure would be simpler and more economical and would avoid much of the administrative difficulty inherent in any combined Federal-State system. Such a single program operating uniformly throughout the United States would be much more flexible and more readily adapted to meet changing conditions than one in which changes would require legislation not only by the Federal Government but also by the several States. Then, too, it would be much easier to formulate other policies for dealing with unemployment if there were a uniform system of unemployment compensation on which to build.

But the essential element in a system of unemployment compensation is a pooling of funds, whether this be worked out through a series of State laws or a single Federal system. To attempt to deal with unemployment on a separate State basis without national pooling is folly. It is like the householders of a city each attempting to protect his home against fire by putting a little water tank on his roof. It would be much simpler and more effective to pool the supply and make it available to any house which might be in danger. Just so, a national pooling of unemployment compensation funds would provide much more protection to each State than could be achieved through the use of its own resources

alone. Without such pooling, our unemployment compensation program will prove a weak instrument with which to face the post-war problems.

Should We Broaden the Program Now?

Would such a program as I have outlined give us complete security? No, it wouldn't. It would furnish a minimum basic protection upon which the individual can build as much more as his means permit and his judgment dictates. It would provide a minimum security for children who are not yet at work, for the aged who have retired from work, for the disabled who cannot work, and temporarily for the able-bodied who can find no work. The major job of finding or creating new work for the millions who will be released from war employment must be approached separately. But it will be easier to solve that problem of reemployment if these other groups are cared for. It will be easier to handle a bona fide work program, for example, if it does not have to be adapted to provide income for large numbers of needy people who are not really employable but who cannot get help in any other way. With only able-bodied employable persons to deal with, a work program can be established on an altogether different basis.

The final question to consider is, should we adopt such a program now when we have a war on our hands? I think we should. The best time to initiate such a program is during a period of active business and full employment. Contributions are much easier to pay then, and the funds accumulated will help carry through the bad years later. The necessary contributions should be shared by both workers and employers, with the Government helping out if need arises. If this is done, the cost will not be excessive for anyone. The Eliot bill, which was introduced in the present Congress and provides benefits somewhat similar to those I have suggested, carries a contribution rate of 5 percent each for workers and employers. This does not seem excessive. Employers are already paying 4 percent except where rates are reduced by experience rating. I understand the bill was introduced at the request of the American Federation of Labor. The Federation is to be commended for its statesmanlike approach in proposing a method of financing in which the workers share costs equally with employers. The Congress of Industrial Organizations has also expressed itself in favor of increased contributions by workers. These proposals represent an important advance in our thinking on social security.

We frequently hear it said that this is no time to impose additional social security contributions when business and individuals will both be burdened with large additional taxes and compulsory savings and other burdens. This in itself is a good argument for instituting now such a broad program as I have suggested. There will necessarily be further large increases in taxes and other methods of getting funds and at the same time reducing the threat of inflation. Questions are already being raised regarding the net productivity of any additional taxes on high personal incomes. The conclusion seems unavoidable that a large portion of the additional funds must come from current business operations and from middle and low incomes. The victory tax may well be only the beginning.

What forms such a program may take I shall not attempt to guess. If any substantial burden is imposed on wage earners, however, it will be difficult if not impossible for them to make the usual provision for their future security through savings and insurance and the like. It is safe to assume that much of these contributions would therefore be in the form of savings rather than taxes to compensate partially for this situation. But individual savings would be much less adequate to meet the needs that may arise than the same amount contributed to a social insurance program. For example, if a worker earns $100 per month and saves 5 percent, he will lay by $60 per year. If after 2 years he dies, his savings will amount to $120—not much for his survivors to live on. If on the other hand he has made his contributions under the social insurance program, and he leaves a wife and one child, they would get about $32 per month until the child is 18. And this is only one of the risks covered. The broad program to be financed by the social security contribution would likewise cover his old age, and disability and unemployment. A contribution under the insurance program would therefore provide many times as much protection to the individual worker who meets misfortune as would the same amount of personal savings.

There are one or two special questions which have been raised with reference to the adoption of such a program at this time. It has been suggested that if the social security program is

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extended now, the contributions paid in will be used for defense and when benefits are to be paid in the future the money will not be there. Of course the money now collected will not be there any more than the money you pay as insurance premiums remains with the insurance company until you or your survivors collect later. The money is put to work, and the earnings together with other contributions provide the income from which future payments are made.

But here arises a second point. It is contended that when benefits are paid in the future, since the funds have been spent for war, we must be taxed again to pay the benefits. This argument overlooks an important element in the situation. Contributions collected now are deposited in the trust fund and invested in Government bonds. If the Government did not in this way borrow the funds from the insured workers it would have to borrow that much more from banks to meet current expenses. Later, in 1950 let us say, when benefits are to be paid, the Government may have to take funds from general revenue to pay the benefits. But in doing so it pays off the bonds and therefore reduces its indebtedness at the same time that it takes care of the needy persons. If the money had been borrowed from banks instead, the needs of the aged and the disabled and the unemployed would be just as great and would have to be met from the same general revenues in 1950, and the banks would still hold their bonds. So, instead of involving double taxation, such a contributory insurance program really makes one contribution serve two purposes. It meets the Government's need now and the individual's need in the future.

It has even been suggested that there is something unethical about the Government's using, for defense, contributions collected for social security purposes. But this is no more unethical than for the Government to sell you or me, as individuals, bonds which we expect to use to support us when we are old or unemployed, and for the Government to use these funds for war.

But, it may be urged, that doesn't make it any easier for a businessman to pay his contributions. No, it doesn't. Nor for the worker either. But the point is that we will have to make payments at least as large as this and probably much larger in *some* form in order to help meet the costs of the war. There is no way in which we can postpone the cost of war. The ships and the planes, the tanks and the guns, the food and the clothing and all those things which the war consumes must be produced now. The burden can be placed more largely on one group than on another, it can be shifted by wage and price policy, by taxation and by borrowing, or by some other method, but somehow we are going to pay the costs now. We have not quite realized that yet, but until we do we shall have difficulty gearing ourselves to really all-out war production.

The question then remains—in what form and by whom the necessary contributions should be made. They could be made in the form of ordinary taxes with no promise of specific benefits to any individual or group. They could be made in the form of individual savings with a promise of ultimate repayment of the amount loaned to the Government. This would be of considerable help in the future to the fortunate individual but would not help the unfortunate very much. Or the contributions could be made in part at least as contributions to a system of social insurance. This method would make the money available temporarily to meet war needs, but ultimately it would be used to provide every covered individual substantial protection for himself and his family in case of unemployment, old age, disability, or death.

While such a program of social security as I have outlined should be established quite independently of any relationship to the war, I am convinced that a comprehensive program of this sort can also be an important part of our war program. It not only meets the tests of equity, efficiency, and economy, but it will at the same time lay a firm foundation for a post-war society which provides for the mass of our own people that freedom from want and from fear of want which we are fighting to establish throughout the world.

British Proposals for the Future of Social Insurance and Services

ELIZABETH L. OTEY *

Sir William Beveridge's report on British social insurance and allied services was presented to Parliament on December 1. The following article discusses the provisions of some of the recommendations made by governmental and non-governmental organizations to the Interdepartmental Committee on Social Insurance and Allied Services, of which Sir William is Chairman. As the Bulletin goes to press, only a brief summary of the recommendations of the Beveridge report is available in the United States.

BY THE BEGINNING of the twentieth century, British public opinion was coming to realize that pauperism was the symptom of a social disease which should be prevented by social action. This century saw the break-up of the Poor Law with the turning over of special sectors of distress to ad hoc bodies (administering categorical aid), and the growth of national compulsory insurance to provide income when the breadwinner's normal earnings failed through his inability to find work, through sickness or old age. When mass unemployment continued over a long period, it became apparent that the insurance method was insufficient to relieve prolonged distress and that recourse to State funds in the form of outdoor relief or assistance was necessary. After various experiments of paying relief from general taxation to unemployed persons no longer eligible for unemployment insurance benefits, insurance was finally restricted (1934) to short-term unemployment, and the Unemployment Assistance Board was established to administer all State outdoor relief for unemployed workers covered by the contributory pensions acts, as well as the able-bodied unemployed who were not covered.

Throughout the century, with the development of these two techniques for meeting social needs—contributory insurance for certain risks and public assistance through general taxation for others not readily measurable—the tendency to place major insecurity burdens on the Central Government has increased. Today the terms have changed; "pauperism" has been supplanted by "social insecurity," and a consciousness is developing that new methods must be used to deal with social disease. Curative measures for the victims of social distress are not sufficient; as far as possible, through forethought or planning, social distress must be prevented. Prevention applied to the risk of sickness means measures to promote health, preventive medicine, adequate purchasing power for proper food, clothing, and housing, rest and recreation, and knowledge how best to use the means at one's disposal to achieve health. For the risk of unemployment the antidote is maintenance of employment. The achievement of social security involves more and more the functioning of the national economy.

In the evolution of social insurance, increasing emphasis has been laid on service benefits in contrast to cash payments. The trend in workmen's compensation is toward greater use of medical benefits, first to restore to health and then, under medical supervision, to train the injured workman so that he can reenter the labor market and become self-sustaining. In prolonged cyclical unemployment, cash benefits have not proved the remedy. Special services have been resorted to for the unemployed: for the skilled, government training centers in various trades; for the unskilled, instructional centers to restore and maintain employability; and in the case of older persons, victims of prolonged unemployment and unlikely to reenter their old employment, land settlement and group holdings.

Great Britain, in the midst of war, appointed an Interdepartmental Committee on Social Insurance and Allied Services, with Sir William Beveridge as Chairman, "to undertake with special reference to the interrelation of the

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schemes, a survey of the existing national schemes of social insurance and allied services, including workmen's compensation and to make recommendations." Various organizations administering the national insurance systems and services and other nongovernment bodies submitted proposals to the Committee; these organizations include the approved societies, insurance committees, local committees of the national Assistance Board (formerly the Unemployment Assistance Board), the medical profession, industry, the Fabian Society, and Political and Economic Planning (PEP). Thought-provocative on the basic principle and functions of social services, these recommendations provide seasoned answers to many questions which arise in the social security program of any country seeking to satisfy unmet needs, to plug gaps in its services, and to unify them.

The work of the Committee was facilitated by the numerous reports of Royal Commissions and Interdepartmental Committees (*1*) [1] and the spade work of nongovernment organizations. In the health field, a general medical service for the Nation had been proposed by the British Medical Association in 1930 and revised in 1938 (*2*). The constructively critical reports on contemporary social and health services by Political and Economic Planning, an independent nonparty group of industrialists, distributors, officers of central and local government, university teachers, and the like, have focused emphasis on viewing the services as a whole and examining them in relation to each other and to the needs they were designed to satisfy (*3:* p. 9; *13:* p. 2). Action to unify the scope of the programs started in 1941 with legislation to apply the same income limit of £420 for all compulsory insurances and workmen's compensation. However, with no thought of minimizing the great undertaking of the Committee, Parliament's task of conciliating conflicting interests, compromising without capitulation, and achieving a unified system still seems difficult. In Germany, social insurances were reconstructed and coordinated under a dictator. Thirty years ago the Sozialpolitiker Posadowsky prophesied that such a task required "almost the omnipotence and strength of a dictator" (*4:* p. 1).

The most comprehensive proposals submitted to the Committee were *Planning*, by PEP (*5*), and the *Draft Interim Report* of the British Medical Planning Commission (*6:* pp. 743–754). The former outlines a provisional plan for a process of reconstruction which might extend over 30 years. The latter deals with the problems of planning the medical services for the Nation and coordinating them with the environmental and personal public health services. Thirty years of providing medical services for the insured population of Great Britain has given the profession an awareness of medical problems and a realization of the profession's obligation to lead the way in planning for the Nation's health.

The memoranda and proposals do not lend themselves easily to summarizing. Colored by the social outlook or interests of the organization represented, they range from a slightly modified status quo to robust planning. It is significant that all the statements except those which defend the approved society and insurance committee system recommend that cash benefits and medical services be separated financially and administratively. If this were done, cash or income benefits for all the various risks could be standardized and their administration unified. The various medical services provided by the State, medical treatment of the insured and the destitute, the public health services—environmental and personal—and industrial health services would be similarly unified. It is believed that greater coordination between income-maintenance services and medical services could be brought about if they were separately organized. PEP uses the phrase income-maintenance to denote those services which provide the breadwinner and/or his dependents with an income when the normal earnings have failed, and which are payable as a right, without investigation of means or need.

Foundation of Reconstruction

Only one memorandum (PEP) predicates its recommendations for reconstructed services on the maintenance of employment. The relief of insecurity involves a twofold attack on social distress to prevent the occurrence of avoidable large-scale distress and to develop services for its rapid cure. The large volume of insecurity for which mass unemployment is responsible can be prevented by planning. The State must actively plan in peace as in war "the use of our economic

[1] Italic figures in parentheses refer to source material, listed at end of article under Literature Cited.

resources and manpower for 'full employment' and maximum welfare" (*5:* p. 9). In this way, PEP believes, unemployment can be reduced to a minimum, its duration limited to 6 months in about 90 percent of the cases, and its incidence restricted to 5 percent. Without some such assumption, many of PEP's proposals have no point. In a democracy, State planning means that the public freely accepts stronger obligations and compulsions. Employees will have to conform to changes in the structure and control of industry, and citizens must feel obliged "to accept expert advice and skilled services . . . to keep fit or to be speedily restored to health and independence" (*5:* p. 10). "Private control of the means of production," said Sir William Beveridge in an address to engineers, "whatever may be said for it on other grounds, cannot be described as an essential liberty of the British people. Not more than a tiny fraction of them ever enjoyed that right" (*7*).

Scope

The memoranda generally recommend that the scope of social insurance and services be widened to include more of the population of similar economic status and that medical benefits of the health insurance system be granted to dependents. "Employment under a contract" is considered a narrow conception by the conservative National Conference of Friendly Societies and should be changed to the "gainfully occupied" (*8:* p. 117). The Trades Union Congress would include "all gainfully occupied persons irrespective of income as defined in the Personal Injuries (Civilians) Scheme" and persons who though temporarily unemployed are normally engaged and substantially dependent on their earnings (*9:* p. 183). PEP includes every citizen, however small his income, who makes a definite tax contribution according to his means to the social services provided for his benefit, if he satisfies simple statutory qualifying conditions.

Qualifying Conditions

Most of the memoranda agree that the qualifying conditions for cash benefits should be simplified. The liberal view of basing eligibility on status rather than contribution record (except for old-age pensions) is variously expressed: "The basic test for the payment of all allowances (other than in old age) should be that the applicant has not, without just cause, failed to continue or to take up work for which he is medically suitable" (*10:* p. 537); or "every adult wage earner within the scheme . . . who is unable to work for whatever reason" (*11:* p. 476). According to PEP, the fact of payment of the social security tax, not the amount, should determine eligibility; a minimum record of social security tax payments would be required for routine old-age pensions.

Cash Benefits

The consensus is that cash benefits should provide an adequate level of subsistence and should be more nearly equalized for the various risks which cause temporary or permanent loss of earned income. The Trades Union Congress favors a flat rate of £2 a week for the insured person, whatever the cause of inability to work, plus dependents' allowances (*9:* p. 183). According to PEP, the income allowances provided by the social services should meet the basic human requirements of their recipients and provide a decent minimum standard of living, "a financial Plimsoll line" below which no family should be permitted to sink. Gone is any implication that cash benefits are not intended to meet the need. The minimum services provided by the State establish a floor to all incomes under the PEP recommendation, but they are not meant to reduce everybody to a uniform level or to preclude private pension plans, incapacity pensions, or dismissal gratuities—the last two possibly at the employer's expense; occupational superannuation plans in conformity with the Ministry's standards are recommended. There seems to be general agreement among the proposals that if cash benefits were fixed at the subsistence level there would still be ample room for encouragement of personal initiative (*10:* p. 536).

The standardization of sickness cash benefits at the same level as statutory benefits in the other State insurance systems is opposed by the National Conference of Friendly Societies on the ground that sickness benefit includes medical care; "health insurance was never intended to provide complete cover for insured persons" (*12:* p. 137). However, the Conference favors the abolition of additional cash benefits derived from the surplus of the approved societies. These additional benefits upset the relationship between sickness

benefits and the benefits of other risks. Their elimination would also take away the criticism that the amount of cash benefit received depends on membership in an approved society with a surplus and would check the tendency to over-insurance, "a very real danger in the sphere of health insurance" (*12:* p. 136).

PEP outlines the steps necessary to obtain an adequate national subsistence minimum. The financial Plimsoll line must apply alike to normal income and social service income, and consummation requires minimum-wage legislation. To set up an adequate national minimum, a standard of decent minimum human needs must first be obtained. PEP proposes to arrive at this standard through a human-needs budget which will be based on an analysis of the actual spending habits of working families. With suitable economies and changes, such a budget would constitute the basis of a cost-of-living index. The payment of family endowments to cover all dependent children is as essential as minimum-wage legislation in assuring an adequate normal income. Payments or free goods and services would continue regardless of whether the breadwinner's normal earnings failed. The minimum wage would be determined on the basis of the needs of two adults. If minimum-wage legislation based on a human-needs budget and family endowments were in operation, income-maintenance allowances would only have to be provided for the employed person and his dependents other than children, and these allowances could be made more nearly adequate. The rate of routine income-maintenance benefits could be derived from the human-needs standard by deducting from it the items of expenditure unsuitable to the type of case under consideration. The rate for old-age pensions, for example, might exclude carfare and contributions to social security; that for short-term unemployment and incapacity (sickness) might make further reductions for replacements which could be temporarily postponed.

Medical Services

Medical services on a more comprehensive scale than hitherto and available to larger numbers of the population are proposed. In addition to the general-practitioner service for insured persons, provision should be made for consultant and specialist services, nursing, massage, dental and ophthalmic treatment and—recommended in many of the memoranda—hospitalization. PEP advocates that the whole population be entitled to free medical services paid from general taxation; other memoranda recommend that these services apply only to those included in the insurance system and their dependents. The development of the comprehensive service is expected to be gradual.

The three lines of development of medical services outlined in the *Interim Report* of the British Medical Planning Commission sum up the various proposals of the medical profession and laymen. The first—that adopted by the medical profession in *A General Medical Service for the Nation* (1938) and, modified by the proposal of group practice from health centers, still the majority view of the profession—would provide the service of a general practitioner or family doctor of his own choice for every individual and, through the family doctor, the services of consultants and specialists, and of laboratory and other necessary auxiliary services. The medical benefits of health insurance would be extended to include, in one medical service, dependents of the insured, other groups of economic status similar to the insured who are now excluded from compulsory National Health Insurance and their dependents, and the poorest section of the population who are dependent on medical services provided by public assistance.

A national maternity service and hospitalization were not included by the medical profession in insurance benefits; the former should be universally available to all women, and the latter could not be included for practical reasons. In 1938, hospital accommodations were considered inadequate for a guaranteed service, and the two types of hospitals—voluntary and public—were not yet fully correlated. Moreover, voluntary provision for hospitalization was already widely distributed; as many as 10 million persons were enrolled in the British Hospitals Contributory Schemes Association (*13:* pp. 234–235). The Emergency Hospital Organisation (*14*), established by the Government in 1938 to prepare for the war emergency, has coordinated the hospitals, and further measures to integrate voluntary and public hospitals have been promised. It is, however, the declared policy of the Government that patients are to make a reasonable payment toward the cost of hospital benefit (*15:* column 1117).

The second proposal in the Interim Report

envisages a complete preventive and curative medical service, nationally planned and controlled. Physicians would be whole-time salaried officers. Followers of this solution hold that the provision of medical service is a State function like education and that inability to pay should not deprive people of the services. Whether the plan be financed by contributions or State funds, the patient should not be charged directly for the service. The opponents of a State service consider Government control of so personal a service as medicine undesirable. In such a system, they maintain, the intrusion of politics, "the cold hand of bureaucratic control," and the physician's loss of personal responsibility for his patient once he becomes a civil servant would be injurious to the country's health. They also fear that the best-rewarded positions would be administrative and not clinical and that the medical profession would no longer attract first-class men as formerly.

The third or intermediate proposal favors a part-time salaried medical service administered by the Government. Domiciliary medical services would be free for individuals with incomes below a certain level and their dependents, with the cost of the services a direct charge on the Government. Persons with incomes above the specified low level but below a standard figure would have the choice of contracting for the services by paying contributions.

New Benefits Proposed

Family allowances or children's benefits, to be paid by the Exchequer, are recommended in practically all the memoranda, not only to ensure benefits adequate for varying family responsibilities but to combat a decline in population and the sharp incidence of poverty in families with young children. PEP proposes to pay benefits in respect of all children, regardless of the size of the family, in good times and bad.

After nearly a quarter-century of effort (*16:* p. 68) some measure seems likely to pass. Trade-union opposition, on the ground that the payment of allowances would hinder wage negotiation, has succumbed with the endorsement of the principle of noncontributory family allowances at the recent Trades Union Congress. A White Paper on the financial implications of the proposals for a noncontributory or contributory scheme of family allowances at 5 shillings a week for each child has been issued by the Chancellor of the Exchequer (*17*), representing, according to a member of Parliament, "the semi-final state of this discussion, in which the Government, having held an inquiry, now rely on Parliament and public to reveal to them what their convictions really are" (*18:* column 1893). The recent resolution passed by the House of Commons "having regard to the supreme importance of further safeguarding the health and well-being of the rising generation, commends for the immediate consideration of the Government the institution of a national scheme of allowances for dependent children as an important contribution to this vital object" (*18:* column 1946). The inclusion of every child implies that the allowances are to be paid by the State, since the contributory method is administratively cumbersome for a universal benefit for all children.

The introduction of death benefits into the comprehensive compulsory social insurance plan is proposed. The Trades Union Congress would make the benefit £20. PEP calls for the provision of funerals as a measure of economy but more particularly to end "the exploitation, dishonesty and other evil features inseparable from private competitive industrial assurance" (*5:* p. 26). Industrial insurance collects about £65 million a year, distributes "about £33½ million in benefits—at a management cost of £22 million, plus a 'shareholders' surplus' of nearly £2 million a year for the companies" (*5:* p. 6). The conclusion of Wilson and Levy that "the present system cannot be mended, but should be ended" (*5:* p. 26) through nationalization, PEP considers inescapable.

Representatives of industrial life assurance interests, in reply to questions from the Beveridge Committee on the effect of the proposal on their work, stated that it would be detrimental, there was no demand for the benefit, and the public was already covered (*19:* p. 520). Approved societies in industrial insurance companies are carriers for 10 million persons insured under National Health Insurance.

Workmen's Compensation

That industry should take care of its casualties is universally agreed. The memoranda generally recommend a workmen's compensation fund created by compulsory contributions of employers

according to a merit-rating system based on the volume of injuries and diseases attributable to working conditions in various industries. One report recommends the incorporation of workmen's compensation into health insurance but stipulates that, when damages are recoverable at common law, cash payments would not be payable from the social security fund. In case of injury by negligence other than the worker's, the fund would bring suit on behalf of the worker.

Among other proposals are the abolition of lump-sum settlements in the event of death and the substitution of pensions subject to restrictions, and the creation of a compensation board to adjudicate claims and be responsible for referring incapacitated persons to local medical health officers for treatment and rehabilitation.

Workmen's compensation would have no place in PEP's plan of social reconstruction. It is believed to represent an antiquated philosophy of compromise between social ideals of adequate maintenance during insecurity plus services for rehabilitation and the common-law idea of rating in terms of money the damage caused by any kind of loss—from a limb to a breach of promise. Its different functions—income-maintenance, preventive and restorative treatment, discovery of facts and causes, and judicial decisions of responsibility—should be separated. Income would be paid through the Social Security Office, and if a prima facie case exists the Minister of Social Security would institute proceedings for damages at common law against persons responsible for accidents through negligence. Any sums awarded would go, after deduction of costs and social security benefits, to the injured workmen. Medical services outside the factory, for diagnosis, treatment, rehabilitation, and research, and the payment of necessary transportation costs come under the Nation's general medical services; factory protection—first aid, safety, and inspection—and vocational training and social rehabilitation would come under a proposed joint Industrial Health and Rehabilitation Board of the three Ministries of Health, Labour, and Social Security. A special service for placing disabled employees would be part of the Board's work.

Services for the Unemployed

Under PEP's assumption of State planning for full employment, the long-time unemployed are seen as problem individuals and not workers in problem industries. Measures proposed for promoting greater security of employment include a statutory requirement of 2 weeks' notice of dismissal; modernization of placing services to make it compulsory for employers to notify the employment office of all vacancies and for all workers who change jobs to register their availability for work; and use of the transfer, training, and reconditioning services as channels of reemployment. The State's promotion of geographic transfer of labor, i. e., labor mobility, would be bound up with the planning of industrial location and would aim at permanent results.[3] With such measures in operation, unemployment benefit would be routine, with no extension of benefit for workers with good employment records.

On exhausting the routine 26 weeks' benefit the worker would be offered three choices: transfer to work elsewhere; training for a new occupation with payment of a proper trainee's wage, followed, if necessary, by transfer elsewhere; or employment on a State reserve work project of nonurgent but useful public work. The State reserve work could be used for persons unsuited for transfer or vocational training. Independent workers not under a contract of employment would be brought into the program. By these means, persons unfit for employment would be sifted out and passed on to the case-work department for individual treatment. Obviously, for those whose fitness is dubious on medical grounds, free medical services and the equalization of routine cash benefits for unemployment and incapacity are essential to facilitate proper placement. When medical treatment is needed, there would no longer be any inducement either to remain on higher unemployment benefit or to transfer from incapacity to unemployment benefit.

Financing

Most proposals adhere to the traditional method of financing through flat-rate contributions from wage earners and employers and a State subvention; one contribution would cover all services. The trade-unions advocate that the State pay half. The Association of Approved Societies, which would administer cash benefits for in-

[3] The success of Government training centers in the past is considered due to their insignificant dimensions. They were adapted to the estimated capacity of private industry rather than to active planning for reemployment

dustrial injury along with health insurance, proposes that, since workmen's compensation is discontinued, employers contribute according to their capacity to pay and that employees pay a percentage of earned income, not a flat rate (*10:* p. 536). The contributory method supplemented by general taxation is rejected by PEP in favor of universal direct taxation. It is foreseen that the change-over to universal direct taxation may involve a lengthy transitional period.

PEP's argument is that a crisis in the contributory insurance method is likely to arise if the demands to include dependents, increase cash benefits, and provide specialist medical services are met. Large contributions would be required, and more than in the past they would partake of an employment tax imposed on employers and a poll tax on workers, without regard to the latter's earnings or dependents. If contributions were "zoned" according to earnings, "whether or not it would be expedient or justifiable for the employers' and the State's contribution also to be zoned" (*5:* p. 28), the workers' zoned contributions would probably result in a demand for zoned benefits. A higher contribution rate would have to be met by a higher benefit rate.

The principle accepted in unemployment insurance that, when insurance benefits cease, general tax funds carry long-term risks might be extended to other long-term pension risks. In this connection, employee societies (the National Federation of Employees' Approved Societies), whose funds presumably feel the extra drain of disablement benefits, propose that the Central Government supplement or be responsible for long-term disablement benefits (*20:* pp. 392–393). According to PEP, the State now pays a large share of pensions, more than 66 percent, from general taxation and by 1965 the State's total share might reach 75 percent. It is certain that, for long after 1965, contributions will continue secondary to taxation in financing pensions. Before the contributory pension system matures, the State's share of payments will be high because of temporary pension charges, and after its maturity the State's share will continue substantial because of outlays for pensions at age 70 to persons subject to the means test, Assistance Board supplementary pensions, and sums to cover any deficiencies due to deviations from the record of the "ideal" pension contributor. Actually, each year's contributions are treated as current funds available for meeting current pensions, and the deficit is covered from taxation. "The contributory pensions scheme—involving extremely intricate and uncertain long-term actuarial forecasting—is an unnecessary system of make-believe. The pensions system as a whole is made to appear as if it is ultimately going somehow to become 'self-supporting'—an event which may only come to pass in the middle of the twenty-first century. The misleading fiction might with advantage be dropped" (*5:* p. 30).

An objection to the use of contributions for short-term risks and taxation on the present or traditional basis for long-term risks is that a wider range of long-term services would appear to be provided for workers without their having "paid in" anything or having had any personal responsibility, thus fostering the "Santa Claus State"—something for nothing. Direct universal taxation would make each person feel he paid and would strengthen his responsibility.

"Stripped of its financial mysticism, contributory insurance" functions as "an indirect method of setting aside an aggregate share of each year's national income to be distributed each year" among persons deprived of their normal incomes and as a "mechanism for splitting up the aggregate share of the national income reserved for the incomeless into individual shares. It builds up millions of individual accounts of present and future claims to specified shares of the national income, and provides a series of semi-automatic routine tests by which an individual's claim to draw on his income-maintenance account can be admitted or rejected" (*5:* pp. 30–31). Both of these functions could be financed more simply by a direct tax on every citizen—in the former case, by earmarking each year the aggregate share of the national income necessary for income maintenance, and, in the latter, by attaching appropriate qualifying conditions to the receipt of social security benefits.

"Social insurance has a mental climate, but no real unifying philosophy. It is neither genuinely 'social' nor genuinely 'insurance' but an empirically evolved compromise—crystallising a set of social and economic relations which are becoming outmoded—between the philosophy of genuine social pooling of all major insecurity burdens and the philosophy of genuine commercial insurance of

all insurable risks" (*5:* p. 31). In social insurance, which is and had to be compulsory to provide for persons most in need—in general the commercially uninsurable risks—the individual has only such rights as the Government sees fit to grant. There is no contractual basis as in commercial insurance. The commercial insurance concept of the contractual right to equivalence of premiums and benefits is manifest in health insurance in the freedom of approved societies to reject poor risks, and, in unemployment insurance, in the provision that a good employment record, i. e., more contributions, entitles to benefits for a longer time. The ends sought in public services are fundamentally different from those of commercial insurance. "A reconstructed income-maintenance system should abandon all traces of commercial insurance and create a financial and administrative structure which can be used to foster a new outlook of responsible citizenship among its beneficiaries. It should be based fully on the idea of national pooling of insecurity burdens, financed by individual taxation of each citizen according to his means" (*5:* p. 32).

Social security tax.—The general lines of reform indicated by PEP as necessary to effect universal direct taxation call for (1) one method of direct income taxation as far as possible, (2) abolition of the tax rebate for children covered by family endowment and for the first adult dependent, and (3) tax assessment on current income with deduction from current earnings. Regardless of whether all direct taxation is made universal, the social security fund should be levied in this way. If income tax for other purposes were levied only on citizens above a certain income level, a specific social security tax could still be levied. The stability of the social security fund should be safeguarded and a separate social security budget estimated and presented for adoption at 5-year intervals.

The social security tax machinery might consist of a registration fee and a social security contribution. The registration fee would be a low minimum tax, payable quarterly by everybody, possibly 12s. for men and 6s. for women and young people. The social security contribution would be a specified percentage of current income—e. g., one-tenth, or 6d. per 5s., with allowance for the registration fee—deductible whenever possible from current earnings and in other cases (independent workers, for example) collected by the Inland Revenue Department.

A social security tax book, given the taxpayer in return for payment of the first registration fee, would supplant contributory insurance cards. A weekly stamp affixed to the tax book would show the fact of payment but not the amount paid. Different colored stamps might be used to indicate release from contributing during unemployment or incapacity. The employer would deduct from earnings and stamp the tax books. Monthly or quarterly, he would send the Inland Revenue Department a check with the report of his total pay roll for the period. Other persons and borderline cases would be handled directly by the Inland Revenue Department. Once a year, when exchanging his tax book for a new one, each social security taxpayer would re-register.

Social Security Administration

Under PEP's recommended divorce of administration of cash benefits and health services, the proposed Social Security Ministry would administer all incapacity cash benefits. It would take over the income benefits of workmen's compensation and, jointly with the Ministries of Labour and of Health, would administer or supervise services for industrial health and safety and for rehabilitation and retraining of injured workers and the State funeral benefit. Approved societies would cease to administer incapacity cash benefits. "The only Approved Society which is needed is the Nation itself. Public administration of all incapacity benefits could eliminate the waste, overlapping, and fantastically complicated machinery for quinquennial valuations, reserve values, transfer values, contingencies funds, partial pooling of surpluses, deposit contributors' funds, etc., which are bound up with the Approved Society system. A much simpler and more intelligible type of administration of cash incapacity benefits, either through local health centres (if established) or through the local offices of the Ministry of Social Security, is all that is needed" (*5:* p. 19).

Central administration.—PEP's plan calls for coordination of the Social Security Ministry's work at all levels of administration with that of the Ministries of Labour and of Health, local health authorities, and perhaps local education authorities. At the top, a Ministerial Executive

is recommended, composed of the three Ministers, and possibly the Minister of Education, with a permanent secretariat.

In general, the proposals recommend the popular device of a Social Security Statutory Commission to maintain stability and continuity in administration and to view the operation of the plan objectively. Modeled after the Unemployment Insurance Statutory Committee, the Commission, according to PEP, would have no administrative responsibility, but "more than advisory functions" (*5:* pp. 13–14). Suggested functions are: a constant review of the financial condition of the fund with an annual report to the Minister; advice on all matters referred to it by the Minister; report to the Minister or Parliament on such proposals for new legislation or administrative regulations as the Minister might be required by statute to submit to the Commission before parliamentary consideration; the right to conduct at its own discretion special investigations, make recommendations to the Minister, and consider representations on matters of policy from interested persons; responsibility for appointing an inspectorate "to check the efficiency and humanity of the Ministry's administration" and for appointing local and national appeals tribunals to settle disputes between the Ministry and its clients.

Local administration.—The Trade Union Approved Societies, an organization of approved societies which favors the abolition of the society system, recommend a coordination of social services which would embody the best features of approved-society administration. "The aim should be to preserve as much as possible the friendly non-bureaucratic character of the present Approved Society system. . . . Attached to every district office there should be a local committee representing the insured persons in the district. These committees should have the oversight of the district offices, and should have power to vary the benefit-paying arrangements to suit local conditions" (*11:* p. 477). According to another group, the Association of Approved Societies, "The first fundamental point is to recognise the administrative unit as the small local group (possibly called 'The ——— Welfare Society') and not as the national aggregation" (*10:* p. 537). They propose regional organization under a regional commissioner assisted by a regional advisory council. Emphasis on personal welfare calls for general direction by a commissioner "over a field no larger than a region," where the commissioner should be free to "develop his own way of handling particular problems." For managing services which by agreement require national treatment, the commissioners would sit as a body.

Under PEP's plan, the Social Security Office would be the local unit of administration but would delegate certain of its functions to the employment exchange and the health center. Within the Social Security Office there would be routine departments for children's benefits, pensions, and funeral benefits. The social welfare department would handle all nonroutine cases requiring investigation of individual needs and circumstances, decision as to the necessary treatment, and payment of cash benefit. This department would be the single omnibus case-working agency for all the income services, taking over residual cases and problem individuals and fusing the present Assistance Board and public assistance services. The local employment exchange would register and place workers, ascertain an individual's right to employment, and pay the benefit. In the local health center a special incapacity benefit office would pay incapacity benefits, thus coordinating medical welfare and income-maintenance functions. Regional administration of certain special institutions and regional supervision of the administration are advocated.

Aware also of the need of local flexibility in administering the local office of a national agency, PEP proposes a system of administrative tribunals and advisory committees to be composed of public-spirited local citizens. The tribunals would settle disputes between the Ministry's officers and applicants, and advisory committees would assist the Minister on matters involving the use of discretionary powers and keep his office informed about local opinion and conditions. Members would be chosen from individuals in the locality who are experienced in social problems and services, and work of value should be assigned them. If their functions are unimportant, the committees become lifeless. The difficulty of obtaining suitable persons for local committees might be met by a statutory right to take necessary time off from work without loss of pay. The advisory committees should initiate discussion,

tender advice on matters of principles, and challenge decisions taken against their advice by appeals to the Regional Advisory Committee and the Social Security Commission itself. The final decision would rest with the Minister.

Administration of Medical Services

Whatever their opinions as to the extent of State control in medical services, the medical profession agrees that the services should be based on the principles of the family doctor as the normal medical attendant; group practice by general practitioners at health centers; free choice of physician or patient; and a unified hospital system, organized on a regional basis and coordinating voluntary and council (public) hospitals, both centrally and locally (*6:* p. 745). Certain radical changes in administrative machinery to be effected through legislation are considered fundamental to the proposed reform. The Interim Report first states what should be done and then suggests temporary measures by which immediate progress can be made.

To do away with the present haphazard distribution of administrative functions among various statutory bodies, central and local, their lack of cooperation with each other and with voluntary bodies, and their insufficient consultation with the medical profession on important aspects of health administration about which the profession is qualified to advise, the Medical Planning Commission proposes a central health authority with a medical practitioner as chief. The central authority would be concerned with all the civilian medical and ancillary services—general practitioner, hospital, and public health services, industrial health services, and the medical treatment of pensioners—and would be responsible for formulating and administering the national health policy. Local administration would be within the framework of national policy.

The central authority could be either a Government department or a corporate body formed by the Government and responsible through a Minister to Parliament. If a department is established, a statutory Central Medical Advisory Committee or a Central Medical Services Board, composed chiefly of physicians, should advise the Minister on medical matters. The Central Medical Services Board would have, in addition, executive functions with respect to the entry of the profession into public medical services, disciplinary machinery, pension arrangement, and postgraduate and refresher courses. In the event that a corporate body is favored, it should be executive in character, medical in composition, and responsible to the Minister only on matters of policy. (At the annual representative meeting the medical profession preferred a corporate body (*21:* p. 44).)

The administration of broad national policy by local authorities is held to be ingrained in British custom, but, to coordinate medical services, larger units of local administration than the existing ones are necessary. The larger units, called regional authorities, would comprise a population of not less than 500,000. The regional authority would be required by law to delegate authority for the administration of hospital, medical, and all other health services to a committee or committees containing nonelected members with knowledge and experience, which would include the medical profession. An alternative to changing existing areas of local government, which has been proposed for the past 20 years,[3] is the establishment by law of regional councils which would be responsible for the local administration of health services. On them would sit representatives of the local authority or authorities in the region, nominees of the central authority, representatives of voluntary hospitals, and physicians. The regional council would have direct access to the central authority. It is proposed that an advisory medical committee, meeting regularly to advise on all medical matters, should be attached to regional authorities or councils, whichever are chosen.

Group Medicine and Health Centers

According to the Interim Report, "Greater efficiency and economy would be secured and less expense incurred if groups of practitioners would cooperate to conduct a single centre at which all of them would see their own patients and share equipment and the services of secretarial, domestic, and dispensing staff. The value of the practitioner to his patients would gain immeasurably from his close and constant contact with his colleagues" (*6:* p. 748). A health center provided by the Government is preferred to a voluntary cooperative enterprise organized privately by

[3] Regionalism was adumbrated in the Report of the Consultative Council on Medical and Allied Services, Viscount Dawson of Penn., Chairman, 1920 (*22:* p. 573), and proposed in the Report of the Voluntary Hospitals Committee, Lord Cave, Chairman, 1921 (*23:* p. 41).

practitioners, but its introduction is expected to be gradual. A model health center would "preserve the professional independence of the cooperating general practitioners . . . be capable of becoming an organized unit in an integrated medical service" (*6:* p. 749).

About 10 or 12 practitioners—principals and assistants—would constitute the staff of an urban center. The National Health Insurance clientele and dependents would select their health center and choose their general practitioner. The work of the center would be preventive and educational as well as curative and would comprise ante-natal, natal, and post-natal work, infant and child welfare, and the school medical service. Consultations with specialists would be arranged, some of whom might be in attendance at the center. Midwifery, nursing and auxiliary services, and X-ray and pathological departments would be available through the center. Work in specialized branches such as tuberculosis, venereal diseases, mental deficiency, orthopedics, and child guidance would be undertaken at special clinics with specialist staffs.

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Present Protections and Relief for Members of the Armed Forces

D. C. Bronson *

The liberality of financial provision for the armed forces, both in amount and in scope, has increased with each succeeding war. In part, of course, this increase is due to the long-trend decreasing value of the dollar and to the generally higher standards of living which have developed with succeeding years, but a substantial residue can only be explained as a greater recognition, perhaps in a social sense, of the sacrifices, hardships, and responsibilities which are the burden of the fighting man. Since October 1940, when the first selective service call was under way, Congress has been active in establishing new legislation and in revamping old laws to liberalize provisions for the armed forces. Various aspects of this legislative action are of interest by themselves; as a whole, they furnish an impressive picture of the protections and safeguards in effect today which indicates immensely greater recognition from the Nation than prevailed in World War I or at any previous time. The following brief sections outline the major programs as they stood in the autumn of 1942.

Increased Pay

Basically, a review of this sort should start with the rates of pay applicable to the members of the armed forces. A bill was introduced in the Senate October 31, 1941, and after considerable committee and floor debate, particularly with respect to the lowest grade, the measure providing schedules of increased pay was approved June 16, 1942, to be effective June 1, 1942.

The changes in pay for the enlisted man are substantial and comprehensive. The following tabulation sets forth a comparison of the pay grades before and after June 1, 1942, for enlisted men in the Army and Navy. There are, of course, similar schedules for the Marine Corps and other schedules for various classes and specialist ratings.

Army grade	Navy grade	Monthly base pay prior to June 1, 1942 [1]	Monthly base pay beginning June 1, 1942 [2]
1. Master sergeant	1. Chief petty officer	$126	$138
2. First or technical sergeant.	2. Petty officer, first class	84	114
3. Staff sergeant	3. Petty officer, second class.	72	96
4. Sergeant	4. Petty officer, third class	60	78
5. Corporal	5. Seaman, first class	54	66
6. Private, first class	6. Seaman, second class	36	54
7. Private	7. Apprentice seaman	30	50
Enlisted man, less than 4 months' service.	Enlisted man, less than 4 months' service.	21	50

[1] Pay increased $10 per month after 12 months' service.
[2] Pay increased 20 percent for foreign service and sea duty and 5 percent for each 3 years' service up to 30 years.

Source: House Document No. 822, p. 18.

This act (Public, No. 607, 77th Cong.) left the pay schedule of commissioned officers substantially unchanged; the present schedule is as follows:

Army rank	Navy rank	Minimum base pay	Approximate maximum pay [1]
Second lieutenant	Ensign	$1,800	$2,600
First lieutenant	Lieutenant (junior grade)	2,000	3,700
Captain	Lieutenant	2,400	4,600
Major	Lieutenant commander	3,000	6,100
Lieutenant colonel	Commander	3,500	7,300
Colonel	Captain	4,000	7,900
Brigadier general	Rear admiral (lower half of rank).	6,000	7,900
Major general	Rear admiral	8,000	9,900

[1] Amounts paid vary with length of service, place and kind of duty, and subsistence payments and rental allowances granted.

Source: *Congressional Record*, June 23, 1942, p. A2559.

Allowances and Allotments

In connection with military service, allotment means a deduction from the enlisted man's pay for a specified purpose, and allowance refers to a grant or subvention or, in effect, increased compensation provided from Federal funds in addition to the man's regular pay. From about the end of the Civil War to the Spanish-American War, enlisted men had the privilege of allocating voluntarily from their pay a deduction of $5 or more per

*Office of the Actuary. Because of the numerous laws establishing the various programs outlined herein, it was not feasible to clear all statements with the administrative agencies involved. Figures and interpretations are therefore unofficial, but are considered to be sufficiently reliable for the intended purpose of summarization.

month, to be refundable on their discharge. With the Spanish-American War came the privilege, again on a voluntary basis, of allotments from pay for the support of the man's family or dependents or, as before, for a savings account. These unsubsidized voluntary allotments were in operation until our country entered the first World War. The War Risk Insurance Act of 1917 introduced the principle of compulsory allotments of half pay in the case of men who had families; those with no family continued under the voluntary privilege. For men compelled to make allotments for the benefit of their families, there was a further provision which said in effect, "If you will make an additional voluntary allotment over and above the mandatory amount, the Government will augment it by an allowance to the qualifying dependents." In June 1918 some simplification was effected by making the compulsory allotment a flat amount of $15 a month and the additional voluntary allotment a flat $5 per month.

After the United States entered the present conflict, numerous bills to establish new systems of allotment and allowance protection were introduced in Congress. The Servicemen's Dependents Allowance Act of 1942 (Public, No. 625, 77th Cong., 2d sess.) is the measure finally enacted and approved by the President on June 23, 1942. In brief, this law provides a system of monthly payments to eligible dependents of all enlisted men except those in the three top grades (such as first and master sergeants in the Army and chief petty and warrant officers in the Navy); these payments consist of an allotment deducted from the enlisted man's pay and a substantial additional allowance from the Government, and are payable on written application in behalf of or from the dependent. In most cases, the applications for these pay deductions are expected to come from the enlisted man, but the qualifying dependents have the privilege of filing application if the enlisted man is remiss or is unable to make application himself. While the deductions are not rigidly compulsory by law, practically complete participation is expected in connection with Class A dependents. The increased pay scale combined with the Government allowance gives the man and his family an income greater than anything of the kind heretofore in effect for servicemen.

Table 1 summarizes the amounts available to the enlisted man's family or dependents. The amount shown as coming from the soldier's pay, practically compulsory for the Class A relatives, is voluntary for the Class B dependents. For illustration, we shall select an Army private, with a wife and two children, who is detailed to foreign service; from his base pay of $60 a month $22 is allotted to his family, leaving him $38 (this amount in itself is higher than the full base pay used to be); his contribution of $22 is increased by a Federal allowance of $50, and the combined monthly payment to his family is thus $72. All told, it is tantamount to cash compensation for this Army private of $110 per month. The amounts of deduction and allowance do not vary with the enlisted man's pay grade; since additional voluntary allotments are possible, however, the men in the fourth grade, for example, are more readily able to elect such voluntary additions than, say, the men in the sixth grade. The payments under this measure were approved June 1942; originally, they were not to commence until November 1, 1942, but subsequently, the November 1 date was amended and payments became possible dating from June 1, 1942.

In addition to the allotments and allowances for dependents, enlisted men of all grades may elect or apply for automatic deductions from their pay for a variety of other purposes. One case is known in which the man was having 11 or 12 pay-day allotments, each deduction for a different purpose.

Table 1.—*Provision for dependents of enlisted men, fourth to seventh grade* [1]

Class of dependent	Government contribution	Allotment from soldier's pay	Total
Class A: [2]			
Wife, no child	$28	$22	$50
Wife, 1 child	[3] 40	22	62
No wife, 1 child	[3] 20	22	42
Former wife, divorced	20	22	[4] 42
Class B (with no Class A dependents): [5]			
1 parent	15	22	37
2 parents	25	22	47
1 parent, 1 sister	20	22	42
1 parent, 2 sisters	25	22	47
Class B (with Class A dependents): [4] [6]			
1 parent	15	5	20
2 parents	25	5	30
1 parent, 1 sister	20	5	25
1 parent, 2 sisters	25	5	30

[1] Provisions listed in this table are representative of those provided in Public, No. 625; many other combinations are possible. Servicemen may be compelled to make allowances to Class A dependents; allowances to Class B dependents are optional with the servicemen.
[2] Includes wife, former wife, and children.
[3] $10 more will be paid for each additional child.
[4] Maximum. Amount varies with amount of alimony and number of other dependents of the serviceman.
[5] Includes dependent parents, grandchildren, brothers, and sisters. Government's contribution to Class B dependents limited to $50.
[6] These payments are in addition to those made to Class A dependents.

Allotments may be made for National Service or U. S. Government Life Insurance, for payment of premiums on commercial insurance policies, for savings programs, for installment purchase of war bonds, for family assistance supplementary to the regular program, and for numerous other purposes. The administrative task assumed by the War and Navy Departments for handling these various allotments and assuring that the right amounts are transmitted to the right individuals or establishments must constitute a most difficult problem. Its complexity can be seen by considering the constant geographic movement of men, periodic promotion in grade, the frequent movement of beneficiaries, the changes in the status of dependents caused by such occurrences as death, marriage, and attainment of age 18, and the numerous cancelations and new elections on the part of the servicemen.

Death and Disability Payments

The Administrator of Veterans' Affairs carries on numerous programs for veterans of previous wars and the regular military establishment. These include pensions for veterans of wars prior to World War I, disability compensation and survivors' benefits for World War I veterans, medical treatment and domiciliary care, funeral costs, and insurance plans. The medical and hospital services are of a wide variety. In general, also, veterans and their families receive consideration by the Government in such fields as job placement and preference in civil-service appointments. The present article will outline only briefly the cash-benefits program for death and disability.[1] The schedule of monthly benefits during war periods carries higher amounts than operate in times of peace. The wartime program of benefits now in effect for the armed services is the one outlined here.

Deaths occurring among enlisted men while in official duty status (liberally construed, it is believed) and disabilities of a service-connected nature are compensable under the plan. The following tabulation indicates the amounts payable to survivors. Widows' benefits are payable until death or remarriage; unmarried children's benefits until age 18, or age 21 if they are attending school. If the child becomes helpless and permanently incapable of self-support before age 18, the benefits are continued after that age. The benefits for partial disability are such pro rata part of total-disability payments as is indicated by the degree of disability established by the application of a schedule-rating procedure. A veteran rated 90-percent disabled, for example, receives $90 a month; one 80-percent disabled $80. In addition, there are statutory payments for specified anatomical losses. A combination of severe disabilities may entitle a veteran to as much as $285 per month. There are measures taken for rehabilitation, prosthetic appliances, and other aids for the physical reestablishment of the injured man.

Survivor	Monthly benefit
Widow under 50 years	$38
Widow aged 50 or over	45
Children (widow present):	
First child under 10 years	10
First child 10 years or over	15
Each other child under 10 years	8
Each other child 10 years or over	13
Children (no widow):	
1 child	20
2 children	33
3 children	46
Each additional child	8
Maximum for widow and children	83
1 dependent parent	45
2 dependent parents	50

During the fiscal year ended June 30, 1941, payments to survivors of veterans and to disabled veterans of World War I, for service-connected causes, were of the following magnitude:

Beneficiary	Approximate number of beneficiaries	Approximate payments for fiscal year 1940-41
Total	489,000	$223,000,000
Widows	30,000	14,000,000
Surviving children	31,000	5,000,000
Surviving mothers	55,000	25,000,000
Surviving fathers	24,000	10,000,000
Disabled veterans	349,000	169,000,000

In addition, payments of some $37 million were made during the year to about 125,000 beneficiaries on account of non-service-connected deaths or disabilities.

With a larger number in the armed services than ever before, it is probable that the veterans of the present war will entail benefit expenditures substantially greater than the costs for World War I. There is no general old-age pension program for

[1] For a full discussion of the subject see Aaronson, Franklin M., "Pensions and Compensation for Veterans and Their Dependents," *Social Security Bulletin*, Vol. 5, No. 11 (November 1942), pp. 10-24.

enlisted men and no general survivors' program for deaths wholly unrelated to World Wars I or II. Nor is there at present any coordination between veterans' benefits and old-age and survivors' benefits under the Social Security Act. The need for such coordination is obviously present, and with the new cohorts of beneficiaries arising from the present conflict, the necessity for an intelligent coordination to prevent anomalies and pyramided benefits will be very much increased.

Life Insurance

Life insurance policies written before the war do not, in the main, carry any restrictions as to deaths occurring in wartime. Currently, however, all life insurance companies are selling policies providing only refund of premiums (or reserve) if death occurs outside of certain "home areas" while in, or as a result of, duty in the armed services, the exact restriction depending on each company's particular "war clause." This is a necessary precaution taken by the companies to safeguard the interests of the millions of present policyholders. Some companies have offered complete coverage subject to very substantial extra premiums, but little insurance on this basis has been issued. The Federal Government can, far better and with more reason, underwrite the extra hazard caused by war and is now doing so in making the inexpensive National Service Life Insurance available to the armed forces.

In World War I the Government offered 1-year renewable insurance to the armed forces, and a large proportion signed up; at one time around $40 billion was in force, representing an average policy of between $8,000 and $9,000. After the war, this term insurance was convertible to permanent forms as United States Government Life Insurance, but the amount so continued dropped off sharply. Even though new policies have been sold among the peacetime military establishment, only about $2½ billion was in force as of June 30, 1942.

As of October 8, 1940, the National Service Life Insurance Act of 1940 (Public, No. 801, 76th Cong.) suspended the further issuance of United States Government Life Insurance. National Service Life Insurance can be purchased by the armed forces, officers and men, up to a $10,000 maximum. It is on the 5-year term form, with premiums payable by deduction from pay. After carrying a policy for a year, the individual can convert it to one of three permanent forms—ordinary life, 20-pay life, or 30-pay life. The initial term policies, at least, confine the beneficiary of the policy to spouse, child, parent, or sibling and provide for claim payment in monthly installments for 20 years if the beneficiary is under age 30 at the time of the serviceman's death, or for life (with 10 years' payments guaranteed) when the beneficiary is aged 30 or over. In the event of total disability of the insured for at least 6 months and prior to age 60, the policies provide for the waiver of premium payment during such disability, thereby keeping the insurance in force. The monthly cost for this convertible term insurance for a person aged 30 is about $7 for the maximum amount of $10,000.

An automatic extension of coverage of National Service Life Insurance has been effected by amendments whereby, in cases of death, disability, or capture occurring prior to April 20, 1942, the service members involved are presumed to have applied for policies of $5,000 if they did not already have that much Government insurance.

National Service Life Insurance has not yet been elected by the forces now in service to the extent prevailing during World War I. The main reason appears to be that in the last war considerable sales pressure was brought to bear on the men as they joined up or left for overseas, whereas this time large numbers of the early selectees anticipated only a 1-year period of training and then return to private life. As of June 30, 1942, some 3 million policies had been issued for about $15 billion of insurance, averaging around $5,000 per policy. Current impetus in sales has brought the October 31, 1942, figures to about 4.8 million policies for nearly $27 billion, averaging over $5,500.

National Service Life Insurance is a convenient, inexpensive protection made available by the Government without extra premium or other restrictions for the extra mortality hazard of war, and with no requirement for any special medical examination if it is applied for within 120 days of entering service. It is understood that insurance companies are cooperating in pointing out the advantages of this protection (up to $10,000) before they offer the serviceman, or potential serviceman, their necessarily more limited policies.

Safeguarding Rights During Service

Reemployment.—The Selective Training and Service Act of 1940 requires employers to reinstate demobilized servicemen in their jobs and seniority following their military service. Certainly most employers will want to accede wherever possible. If the man is physically unable to resume his former job, employers will probably attempt to find work suited to his condition, and in many instances he will be eligible for veterans' disability benefits commensurate with his degree of disability.

Unemployment compensation.—The operation of the Selective Service System, intensified since the attack at Pearl Harbor, has created a problem for millions of workers normally covered by State unemployment compensation laws. In those laws, benefits and eligibility requirements have been based on the recent wages preceding unemployment. If because of military service the recency of credited wages disappears, then on demobilization the men will have no protection against unemployment until they are able gradually to build up a new set of wage and employment credits. A majority of States, some 42 by November 1942, have acted to prevent military service from destroying rights to benefits after discharge, and other States may do so before the war ends. Since, in many States, discharge must occur prior to some date in 1943, the question of legislative extension lies ahead in these States. The State amendments for this purpose vary widely in details, but their general objective is to assure, upon discharge, benefit rights at least as favorable as those existing prior to induction. In many States this restoration of status is not operative until the exhaustion of any Federal allowances which may be provided for the period after discharge. It has been suggested that the policy of the Federal Government concerning demobilization be drastically changed from that of World War I so that, instead of providing merely a ticket home and a small lump sum in cash, the ex-serviceman shall be provided with monthly benefits for a reasonable period, during which time he may obtain steady employment. Such a program would be of particular value to the young selectees who had no previous unemployment insurance status to look to for benefits after discharge.

Old-age and survivors insurance.—In much the same way that loss of rights would occur in unemployment compensation without remedial legislation, participation in old-age and survivors insurance under the Social Security Act is affected by entrance into military service. Under that act, benefits at retirement or death depend on the relative length of covered employment and on average taxable wages between 1937 (or age 22 if later) and death or retirement at age 65 or over. Since periods of time spent in activities excluded from coverage obviously lower the weight of both these factors, insurance rights can lapse and the average wage will be permanently lowered even if benefit eligibility should be maintained or regained. Clearly these penalties should not be imposed because of military service. The Administration and Congress have on several occasions cited this problem as needing correction. Since death in service carries substantial monthly compensation to the family through veterans' benefits, the remedial legislation is not of immediate urgency (unless large numbers, because of age or skills, are released to return to private employment) but should take shape in sufficient time to become fully operative at the close of hostilities.

Several approaches have been suggested, including: suspending the insurance and freezing a worker's existing benefit status for resumption without penalty on his return to private life; granting insured status automatically to servicemen, possibly contingent on their having previously worked in covered employment; or extending both the benefit and tax provisions of old-age and survivors insurance coverage directly to all members of the armed forces. Still another proposal is contained in the recently introduced Eliot bill (H. R. 7534), among other proposed changes in many aspects of the social security program. A provision in this bill would count military service as covered employment in connection with benefits and insured status but would not require the serviceman to pay contributions; general revenue would supply the additional costs involved. For benefit purposes, the serviceman would be deemed to have been paid, during the period of service, at the rate of $100 per month or, if higher, at his average monthly pay (up to $250) during the year immediately preceding his induction. Survivor benefits would not be payable under this bill if any military pension is avail-

able to any beneficiary because of a serviceman's death while in the armed forces.

Railroad retirement.—A third Federal program containing benefit provisions for industrial workers which is affected by induction into military service is the Railroad Retirement Act. If Congress had not considered the operation of selective service in its effect on inducted railroad employees, the time spent in military service would not have counted as creditable service in computing the total years of service for benefit determination. The railroad retirement benefit differs in principle from benefits under either of the other two social insurance programs because it is a direct function of both railroad service after the effective date of the act and service prior thereto. The railroad retirement program as now amended grants military credit for war service or involuntary service rendered prior to January 1, 1937, if the individual was a qualified railroad employee on August 29, 1935; this provision has the effect of increasing for many the number of prior-service years, which is a multiplier factor in computing the benefit amount. All employees will also receive military credit for involuntary, emergency, or war service entered upon after January 1, 1937. Credit for any service is conditioned on the fact of railroad employment within 2 calendar years before the military service began. The amendment provides that an appropriate reduction shall be made in the railroad retirement benefit if the same period of military service is also used as a basis for any military pension. Also, for the purposes of determining the lump-sum death benefit under the railroad program—normally 4 percent of "contributory" compensation — a person shall be deemed to have creditable compensation of $160 for each month of allowable military service after January 1, 1937.

Insurance and retirement plans of employers, public and private.—Many private employers have plans in operation which provide one or more of the following protections: life insurance; benefits for accident and sickness, accidental death and dismemberment, hospitalization, and surgical operation; and retirement annuities. Usually employees as well as the employer contribute to the cost of these programs. One commonly used method of administering benefits of this nature is through "group insurance contracts" with life insurance companies. The primary parties to these contracts are the employer and the insurance carrier; the employees receive certificates outlining their rights. The following figures indicate the approximate number of employees covered at present by formal contracts of group insurance; in addition, considerable numbers are protected under "uninsured" employer arrangements (self-insured or trusted plans), and many persons are participating in benefit and relief associations run mainly by local organizations of the employees themselves.

Type of insurance:	*Approximate employees covered, September 1942*
Group life	13, 000, 000
Group accident and sickness	5, 000, 000
Group accidental death and dismemberment	2, 250, 000
Group hospitalization	[1] 2, 500, 000
Group surgical operation	[2] 2, 000, 000
Group annuities	1, 000, 000

[1] In addition, about 1.3 million dependents of these employees are covered.

[2] In addition, about 300,000 dependents of these employees are covered.

When the Selective Service System first began to operate late in 1940, the expected period of service was a single year. Employers arranged in many instances for continued participation under certain of the benefit plans, either by paying the premiums or contributions for their employees, or by allowing the employees to continue making payment of their share. In any event, the selective service legislation stipulated that the service period should be treated as a furlough or leave of absence; after that period the employee, reinstated to active employment, would be entitled to resume participation in insurance or other benefit plans. Now that the service periods have been lengthened indefinitely, the continued active participation in these plans through employee-employer contributions has, in most cases, been suspended for the duration. The inducted employees are cared for in the event of death, disability, or hospitalization through the various veterans' payments. Also, many companies in which the serviceman had been covered by group life insurance are paying the premiums (some companies for a year, some for the duration) for a policy of National Service Life Insurance taken out by the serviceman in amounts at least equal to the amount of the canceled group life protection. It will be noted that in many cases of group hospitalization and surgical operation insurance,

the dependents of employees are eligible for similar protection. Dependents of inducted persons have usually been able to have their protections continued by some arrangement for contributing adjusted premiums under the master agreement between the employer and the insurance company. It should also be mentioned that group annuity insurance, when contributory as most of it is, contains cash-surrender values available on termination of employment. It is unlikely, however, that any large proportion of inducted employees have considered their induction as termination of employment, so that it is expected in the main that their equity will remain under the contract and that on return to work they can again resume the contributions under the retirement plan, possibly even with some service recognition on the part of the employer for the hiatus represented by the war.

Much of the discussion in the previous paragraph is also pertinent to the situation in areas of public employment. The main benefit program in effect for employees of governments at the Federal, State, and local levels is a retirement or pension system; life insurance or temporary sickness benefits are seldom provided. More than 50 percent of civilian public employees are currently members of some form of retirement plan; so far, these employees cannot enjoy the additional protection afforded by the Social Security Act. While changes in these legislative plans are more difficult to inaugurate and slower to accomplish, it is generally conceded that the necessity exists for amendments to safeguard the rights of employees entering the armed forces. Many public retirement systems already provide for leaves of absence to employees entering the service, and many even grant credit under the retirement plans for the period of war service. Usually, contributions of employees on military leave have been suspended without the anticipation that reimbursement will be required for such period. Those plans which have not already acted in this connection will undoubtedly obtain the appropriate amendments from the legislatures (if legislation is necessary). The largest public employee staff retirement plan, the Federal Civil Service Retirement Act, has for some time contained a proviso that the period of Government service forming the basis for computing the annuity is to include periods of military service (except such service as may be used in computing any military retired pay, excluding service-connected disability retirement pay). Thus, under the civil-service retirement system, military service is recognized retroactively, so that a person who has had spells of such service, either in war or in peace, is allowed to have such time credited for purposes of determining any retirement benefit to which he may become entitled under the civil-service plan.

A retirement plan covering age or disability is in operation for commissioned officers of the armed forces, with eligibility and benefits subject to certain conditions of length of service. For the enlisted man, the Veterans Administration provides protection in the event of disability, while a governmental retirement plan is in effect for those enlisted men who adopt military service as a career. Since, under this age retirement arrangement, 30 years' service is required, the number who may be expected to retire under this plan will be relatively small; at present, of all the previous cohorts of enlisted personnel, about 25,000 individuals are receiving retirement benefits.

Relief From Certain Civilian Obligations

Under the enlistment and draft measures of World War I it was found necessary to pass legislation to ensure that the man suddenly thrust into uniform would not suffer because of obligations he had undertaken as a civilian or would not be at the mercy of creditors who might take advantage of his military absence. The Soldiers' and Sailors' Civil Relief Act of 1940 was enacted on a similar pattern. The 1940 act primarily envisioned only a 1-year period of military training, but after the attack at Pearl Harbor, which occurred only little more than a year after the passage of the act, amendments of extension and clarification were found necessary. These have been effectuated by the Soldiers' and Sailors' Civil Relief Act Amendments of 1942, effective October 6, 1942.

The present law suspends the enforcement of certain civil liabilities as to persons serving in the military and naval establishments and offers relief for the period of service from certain other obligations. There are provisions under the heading of "general relief" whereby court action detrimental to the interests of the serviceman may be stayed for the duration, or deferred until the

appointment by the court of an attorney to represent the defendant. A judgment rendered against a person in military service may, under appropriate conditions, be opened by such person for defense after his return to civilian life. The period of service, moreover, shall not count as elapsed time under any statutes or regulations of limitation for any court proceeding involving the serviceman.

Another portion of the law prevents the hasty eviction of dependents under foreclosure or for unpaid rent; gives reasonable protection against the seizure of goods under installment purchase agreements; and protects insurance policyholders against untoward exercise of option by an assignee, such as surrendering for cash without the policyholder's consent. The act also provides for certain tax relief and prevents undefendable sales for taxes. The law in general prohibits interest charges on outstanding obligations of the serviceman in excess of 6 percent per annum. Various other measures for assistance, postponement, and additional relief are possible under this law.

Article IV of the act establishes the rights and procedures in connection with commercial life insurance policies under which premiums fall due while the owner is in the forces and for 2 years thereafter. If he is unable or does not wish to meet these premiums from his personal funds, or if he does not arrange for an allotment from his military pay for the purpose, he has the privilege of applying for the benefits of article IV. These benefits constitute a guarantee by the Veterans Administration that the insurance (up to $10,000) will be kept in force through an arrangement between that agency and the insurance carrier. For a person to qualify for this Government guarantee, his insurance must be free of any war restrictions and must have been in force on a premium-paying basis for at least 30 days before the insured man entered the service. During the period of guarantee the insured may not cash in or borrow on the policy without the approval of the Veterans Administration. If the man dies or the policy matures during the period of guarantee, the aggregate premiums under the plan up to date of death or maturity plus interest (at company's rate for policy loans) are deducted from the claim settlement and credited on the insurer's records to the account of the Veterans Administration. The premiums and interest, the guarantee of which lies with the Veterans Administration, constitute a Government lien on the policy dischargeable from any proceeds or value. There will be a final transaction to settle the cumulative accounts between the insurance carrier and the Veterans Administration at such time after the war as the guarantees provided under the act expire.

Protection Status of Certain Allied Groups

In general, the programs previously described are in operation for the armed forces proper, that is, the Army, Navy, Marine Corps, and Coast Guard. In recent months allied service units have been set up including the Army Specialist Corps, the Women's Army Auxiliary Corps (WAACS), the Women's Reserve of the Navy (WAVES), and the Women's Reserve of the Coast Guard (SPARS).

The Army Specialist Corps [2] is an organization in the War Department composed of uniformed civilian employees of a professional or technical character; the corps is not in general covered by protections previously outlined. Its members, however, are subject to the Civil Service Retirement Act and are eligible to benefits for injuries or death suffered in the course of their occupation as provided in the U. S. Employees' Compensation Act.

The WAACS is an organization in the War Department composed of uniformed civilian female employees, to make available to the Army the advantages of certain special training of women and to free regular Army personnel for more active duty. This corps does not, in general, come under the protections previously described, except that its members are eligible for all the provisions of the Soldiers' and Sailors' Civil Relief Act. They are not subject to the Civil Service Retirement Act, though they are covered by the U. S. Employees' Compensation Act.

The women's branch of the Naval Reserve (WAVES) and the women's branch of the Coast Guard Reserve (SPARS) were created, in two separate acts, by Congress for the purpose of relieving certain male personnel for duty at sea. Members of these women's reserves are not eligible for the disability or death benefits of the Veterans Administration, but are entitled to apply for National Service Life Insurance. They would,

[2] At the time of writing, this corps is undergoing reorganization to merge with the regular Army.

however, be covered by the U. S. Employees' Compensation Act, although they are not subject to the Civil Service Retirement Act.

In summary, we find an extensive set of programs for the benefit of the armed forces and their families: higher rates of base pay, extra payments for dependents, monthly benefits at death or disability, inexpensive life insurance, security of civilian jobs and the allied benefit plans, and relief or suspension in the field of private obligations. Taken together, these provisions form a significant recognition by Government and the public of the dislocations and sacrifices undergone by members of our uniformed services.

Long-Range Trend in Per Capita Income and Wages

W. S. Woytinsky *

The future cost of the old-age and survivors insurance program will greatly depend on the long-range trend in wages. Usual cost estimates, based on the hypothesis of steady wages, leave the impression that the program is faced with a very heavy load of expenditures in a more or less remote future. However, the situation might appear in a different light if an upward trend in the economic system, with a gradual growth in wages, were considered as an alternative wage hypothesis.

Since the use of a hypothesis of steady wages in discussions of old-age and survivors insurance implies a specific appraisal of prevailing economic trends, its validity should be tested in the light of historical experience and by theoretical considerations. Available data show that, in the past, steady wages and incomes were observed only in periods of economic stagnation which from time to time interrupted the secular upward trend in economic activity. A widely held supposition that this upward trend has been retarded in the past three or four decades is by no means established by available information, and it is entirely possible that the economic system is still in a phase of rapid expansion. A hypothesis of a secular upward trend in wages similar to that which prevailed in the past is therefore—at least for the near future—as defensible as the theory of a level wage. Statistics examined in the following pages suggest that over the last hundred years there has been a more or less steady growth of the per capita wage by 1.0 to 2.0 percent annually.

Wage Assumptions in Long-Range Estimates for Old-Age and Survivors Insurance

Planning for old-age and survivors insurance, in contrast to unemployment compensation, requires long-range estimates of the flow of contributions and benefits and of the growth in reserves. Estimates for periods far in the future are also necessary to evaluate the financial and economic implications of each specific modification in the existing program. A year like 1980 or 2000 is usually selected for ultimate projections, since it is the approximate date when old-age annuities will be drawn by persons who have been in the insurance system during their entire working life.[1]

A numerical projection of current operations into the long future is necessarily based on a set of hypotheses, and its validity is coordinate with the validity of both the explicit and implicit assumptions. While some of them are more or less formal and self-evident, others are more or less conjectural. Taken as a whole they tend to give an internally consistent picture of the existing economic system and its probable evolution in the decades to come.

Generally speaking, assumptions required for a cost estimate in the field of old-age insurance may be segregated into three main groups: (a) legal provisions and administrative practice (including items such as coverage, contribution rates, appropriations, administrative expenses, benefit formula, and the like); (b) population (its growth, age distribution, mortality, participation in gainful work, and age of entry into and of retirement from the labor market); (c) economic conditions. The last group of assumptions is the most uncertain and potentially controversial.

As the contributions and benefits provided in the old-age and survivors insurance system are both related to the wages of workers in covered employment, definite wage assumptions are necessary for estimating future amounts of contributions and benefit payments. Most of the estimates prepared for the President's Committee on Economic Security, the Social Security Board, and the Advisory Council were based on the hypothesis that the per capita wage of covered workers

* Bureau of Research and Statistics. This article is based on a chapter of a report by the author, to be published by the Social Science Research Council, Committee on Social Security.

[1] The year 1985 will be the first in which persons who paid contributions during their whole work life from age 17 on will appear on the list of annuitants. However, most of the annuitants at that time will be older than 65, as some of them would have been 20 or 25 when they began to pay contributions in 1937. During the next 15 years the system will still be paying pensions to workers who entered gainful employment prior to inauguration of the insurance system.

in the years to come will remain at a level of $1,000 or $1,200 annually. It is, however, recognized by actuaries and others that this hypothesis is not self-evident. The alternative hypothesis of a steadily expanding economic system should therefore be kept in mind when analyzing the cost of the program.

Lag Between Contributions and Benefits

In an insurance program which relates contributions and benefits to the wage level, the size of benefits at any given time is conditioned by wage levels which prevailed many years before. This lag between contributions and benefits may be measured on the basis of the distribution of covered workers and beneficiaries by age.

Excluding persons 65 or over and of unknown age, the average age of taxed wage earners in 1937 was approximately 35 years for men and 31 for women. These averages will be 37 and 33 years, respectively, if employees under 20 years of age—mostly individuals with irregular employment and insignificant earnings—are excluded and the age classes weighted by the amounts of their earnings. With the changing age structure of the population as time goes on, the average age of taxed wage earners will probably increase. It will rise slowly, however, hardly more than half a year in a decade, and the rise may be halted to some extent if domestic servants and farm laborers are included in the social security programs. All in all, for the purpose of the present analysis, it may be assumed that for the next half century the average age of individuals paying contributions for old-age and survivors insurance will be approximately 40 years for men and 35 years for women.

After the insured individuals reach the age of 65, they become eligible for old-age benefits,[2] but their benefit checks begin at this age only if they have terminated employment with covered firms. It seems likely that the effective age of retirement will be somewhat later, possibly 67 or 68.

The life expectancy of beneficiaries at the time they receive their first benefit check is about 12 years for men and 13 years for women, according to the 1937 Standard Annuity Table (which is appreciably below the "hypothetical" longevity estimated by Dublin and Lotka).[3] Therefore, the average age of annuitants in 1985 will probably be about 73 years for men and nearly 74 for women. Consequently, the theoretical lapse of time between the mean point of covered employment and the mean point of drawing benefits is approximately 34 years for men and 39 years for women.

The lag between contributions and benefits will develop gradually as the system matures. In the early phase, the mean point of covered employment will trail by only a few years the date the annuitants retire, so that the lag between contributions and benefits will be insignificant. It will increase by 5 or 6 months each year. In round numbers, it will amount to 5 years in the tenth year of operation, to about 11 years in the twentieth year, to 17 years in the thirtieth year, and so forth. This development will be very significant if an upward trend in earnings persists. If wages increase evenly 1 percent each year, for example, benefit payments in the first decade of operation will be related to an average annual wage approximately 3 percent lower than that on which taxes are being collected currently. The average disparity will be about 10 percent during the second decade and almost 20 percent in the third decade.

It may be objected that a definite benefit formula presumes a definite level of wages and that a scale of benefits which is appropriate to an average wage level of $1,100 is not applicable to annual earnings averaging $1,600 or $2,000. If, however, it is anticipated that an upward trend in wages implies an upward revision of the benefit formula, long-range cost estimates should show at what time a disparity between benefits and the current wage level is likely to develop and how far a revision of the benefit formula might go without impairing the solvency of the program.

Trends in Population and in Economic Conditions

During the first 40 years of this century, steadily declining birth rates slowed the growth of population in the United States, and, in conjunc-

[2] It is not supposed that all beneficiaries will have been continuously in covered employment until they retire. According to the 1939 amendments to the Social Security Act, an individual who attains age 65 is "fully insured" if, since January 1, 1937, or since he attained the age of 21 (whichever is later), he has received taxable wages of not less than $50 in at least half the elapsed calendar quarters or in at least 40 different quarters. The latter provision enables women workers who retire fairly early in life to be fully insured.

[3] Dublin, L. I., and Lotka, A. J., *Length of Life*, New York, 1936, p. 194. See also Metropolitan Life Insurance Company, *Statistical Bulletin*, November 1941, p. 3.

tion with declining mortality rates, caused the proportion of children to decline while that of aged persons increased. Most population experts are inclined to regard the sudden rise in birth rates in 1941 and 1942 as a short-time deviation from the secular trend, rather than an upturn in the long-range tendency, and to expect the proportion of aged persons to increase as time goes on. In round numbers, from 5 percent of the total population in 1930, this proportion increased to 7 percent in 1940 and is expected to rise to 10 percent in the 1950's and 15 percent in the 1980's. From the standpoint of old-age insurance, this trend means that the burden of providing for the aged will increase and that the financing of old-age benefits may become increasingly difficult unless retirements are deferred to later ages.

This unfavorable trend in the population structure may be counterbalanced by an increase in earnings. Since the brief experience with old-age and survivors insurance permits no conclusion on the secular trend in taxable wages, their probable future movement may be estimated by analogy with all wages and incomes in the Nation. The limitations of this method are obvious; there may be an appreciable disparity between trends in per capita income and in industrial wages, or between trends in taxable and nontaxable earnings. This source of error, however, is scarcely larger than that inherent in any projection of a historical series into the future. Generally speaking, the hypothesis of uniform taxable wages postulates that, with prices and cost of living remaining at the present level, the average of all wages or that of all incomes remains constant, while the assumption of increasing taxable wages assumes a steady rise in general well-being.

Nominal and Real Wages

One of the postulates of cost estimates expressed in current dollars is that there will be no sudden major variations in the cost of living during the period under consideration. The price factor is dismissed in these estimates on the theory that a material rise in prices would cause an adjustment of benefits to costs of living, whether or not it is prescribed in advance by law.

It is recognized that the possibility of variations in the purchasing power of the dollar is the weakest aspect in long-range cost estimates, as well as in all estimates related to the currency unit. However, the hypothesis of steady prices does not necessarily imply steady wages. Cost estimates in terms of dollars presume only that there will be no material difference between variations in nominal and in real wages (or benefits), a reservation which may be combined with any hypothesis on secular economic trends. In any event, if this reservation is accepted, the future trend in wages should be deduced from past variations in real wages rather than those in nominal earnings.

An analysis of real wages also has the advantage of greater simplicity. From a long-range view, assuming more or less stable social and political conditions, the trend in real wages is determined by technical and economic progress, while in nominal wage variations this development is overlapped and in certain periods obstructed by autonomous, sometimes erratic, factors which affect the price level. Therefore, available series of real wages are smoother than those of nominal wages, their trend is clearer, and their extrapolation less hazardous.

Another important difference between the trends in real and nominal wages is that it is possible to envisage a steady future growth of real earnings, keeping pace with growth in the physical volume of the national output; but the future course of prices, cost of living, and nominal wages is unpredictable.

The extent to which the trend in real wages can be divorced in cost estimates from trends in population is less clear. It may be argued that a growing nation will possess an expanding economy, while a static population may mean a standstill in economic progress. An inverse relationship is also possible, however, inasmuch as a rapid increase in population in periods of insufficient work opportunities could lead to growing unemployment and declining per capita income. It seems advisable, therefore, to make the wage hypothesis independent of specific population assumptions.

Bias in Price Indexes

Although future variations in prices and costs of living are disregarded in long-range cost estimates, the price factor cannot be eliminated from an analysis of economic trends. In fact, the trend of real wages in the past cannot be established without extensive use of price indexes, and, if they are biased, the wage hypothesis is also likely to be biased.

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An extended time series for real wages (in dollars with constant purchasing power or in the form of an index) is usually based on a combination of two series, one showing the course of money earnings and the other, price variations. The first series is computed as a weighted average of available wage data for different industries, while the long-range price index is usually obtained by linking together several short-range indexes. In most of the "weighted" price indexes used for this purpose, weights characteristic of the base date are kept steady throughout the period observed. This procedure is defensible in measuring short-term variations in the price level, but misleading conclusions may be drawn when the price index covers a long period in which substantial changes have occurred in consumption patterns.

Two types of changes in consumption may be distinguished. Those due to variations in taste, fashion, usage, and the like have an uncertain effect on the price index, while those associated with the ups and downs of individual commodity prices result necessarily in an upward bias of the price index. If, after considerable variations in individual commodity prices, a price index records no change in the price level, it might be inferred that the average consumer can now get, for the same amount of money, exactly the same set of commodities as at the base date. However, it is a postulate of price theory that consumers distribute their expenditures in the most economical way. As soon as the relationship of prices for individual commodities has varied, the earlier distribution of expenses ceases to be economical and, the theory presumes, consumers will look for another set of commodities which represents the maximum satisfaction they can obtain for a dollar. In this case, a steady price index conceals an increase in the purchasing power of money. Consequently, the deflation of a time series of money earnings by a price index results in an underestimate of the growth of real wages in prosperous years and an overstatement of their decline in periods of economic depression. The magnitude of the bias depends on the extent of price dispersion and the capacity of individual commodities to replace one another.

According to price statistics computed by the National Resources Planning Board and covering 612 commodities, wholesale prices in 1937 were on the average 12 percent under the 1929 level. However, if the list of commodities arrayed by increasing ratio of the 1937 price to the 1929 price is divided into two equal groups (306 commodities in each), it is found that the median of the first group was 71 percent, and of the second, 105 percent. In a similar way, the dispersion of prices in specific groups of commodities (such as food, textiles, metals) may be computed. It is found that, by adjusting their purchases to changing prices in 1937, consumers had a chance to increase the real purchasing power of their dollar by 2 to 5 percent in comparison with that of the 1929 dollar inflated in accordance with the price index. This finding suggests that, while the price index indicated that $100 had the same purchasing power in 1937 as $114 in 1929, actually the amount of goods and services provided might be equivalent to 116–119 "1929 dollars." A more nearly accurate measurement of the effects of divergent price variations requires exact information on the extent to which goods with relatively rising prices are replaced by those with falling prices.

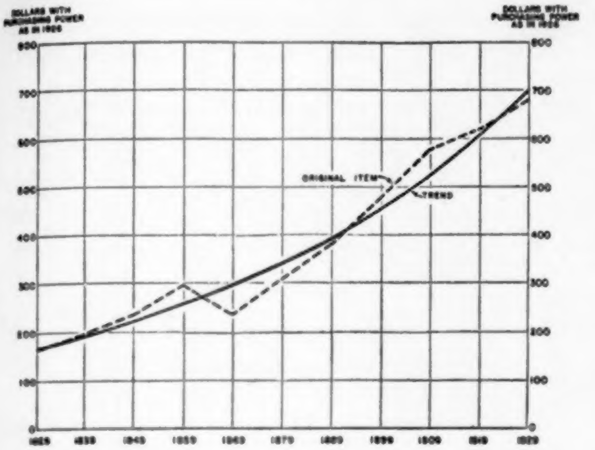
But this is not the whole story. A price index with rigid weights fails to record the appearance of new commodities on the market. In the last two decades many new articles have become indispensable for millions of consumers, and a conventional price index tells nothing of the power of the 1940 dollar to purchase things which did not exist two or three decades before or which existed only for the rich. But it is obvious that new commodities are not accepted unless, in the judgment of consumers, they are preferable to the old commodities, i. e., promise dollar for dollar a greater satisfaction.

To sum up, if price indexes of the usual type are used to deflate a series of money wages or incomes extending over several decades, it is likely that the real wage (or real per capita income) at the end of this period will be understated. The bias develops gradually and may vary between 2 and 5 percent per decade or between 0.2 and 0.5 percent annually if the dispersion of prices is approximately of the same magnitude as it was in the 1930's.

Trend in Per Capita National Income From 1829 to 1929

Only fragmentary information is available on the progress of the national income in the United States in the nineteenth century. Statistics for

Chart 1.—*Variation of the per capita real income in the United States, according to Robert F. Martin, 1829–1929*



the period prior to the Civil War are particularly thin, and would be totally inadequate for far-reaching estimates except for data on the physical volume of national output included in decennial industrial censuses and early censuses of population. On this basis, Robert F. Martin computed estimates of national income for the 140-year period beginning in 1799.[4] His principal table shows total and per capita "realized national income" in current dollars and suggests two alternative adjustments of dollar incomes to changes in price level: (a) by an index of cost of living and (b) by an index of wholesale prices. The two indexes differ considerably in their annual variations, but there is no appreciable disparity between their secular trends. In the following discussion, reference is made only to the real-income series adjusted by the cost-of-living index. For the nineteenth century, Martin's estimate is restricted to the decennial census years, and annual figures are computed since 1900. To retain comparability between the two centuries, however, only census years are plotted in chart 1.[5]

Martin points to a distinct decline in the per capita volume of goods and services during the unsettled period between the 1780's and the 1840's. The growth of prosperity began with the 1830's and is reflected in the real-income data from 1829 to 1929. Although the upward swing was interrupted in the 1860's and by the first World War, it is fairly well represented by a smooth curve with ordinates increasing by 15 percent per decade or 1.41 percent annually.

Martin believes that the increase in the actual volume of goods and services per individual is somewhat overstated in his figures, because the many services performed and goods produced within the home in the early days did not enter into the exchange economy and appear in the national income accounts. The increase shown would therefore be partly attributable to the transfer to the market of services formerly performed at home.

It seems, however, that the gradual absorption of the home economy by exchange and market economy was only a minor factor in the growth of real per capita income in the 100 years observed.[6] On the other hand, it is highly probable that the growth in real per capita income is understated by Martin because of the method used to adjust current national income to changes in the purchasing power of the dollar. With a correction of 2 to 4 percent per decade, it appears that real per capita income increased from 1829 to 1929 at an average rate of 17 to 19 percent per decade or 1.6 to 1.8 percent annually.

Trends in Real Wages

The upward trend in real wages, which began in the late 1830's, has been interrupted time and again by set-backs and periods of stagnation, so that the course may be represented by a series of terraces towering one over another, with rugged slopes from one level to the next. The most destructive set-backs occurred in the late 1830's, the 1860's, the early 1900's, and early in the first World War. If, instead of surveying the progress achieved during the last 100 years or more, one examines only a period which happens to include a severe set-back, the conclusion may be reached that workers have been deprived of their share of the growing wealth of the Nation. The more inclusive of the studies examined in the following pages, however, evidence a very clear upward trend in real earnings.

Real-wage index of Hansen.—The first index of

[4] Martin, Robert F., *National Income in the United States, 1799–1938*, New York, National Industrial Conference Board, 1939.

[5] The basic data for all the charts used in this article will be carried in the longer report.

[6] The home economy rested in the early days of this period on the activity of family members *not* working for pay or gain, and the progress of the exchange economy was marked by their entry into gainful pursuits. It is likely, however, that the productivity of home workers was considerably lower than that of gainful workers in the same families. It is not very probable that shifts from home to exchange economy were responsible for the increase of estimated income by more than 10 percent in 100 years.

real wages covering more than a hundred years was constructed by Alvin Hansen.[7] He began with two series of money wages, one based on several wage indexes computed by his predecessors and the other established as an average of the index numbers of weekly wages of laborers and artisans, compiled by the Russel Sage Foundation. These two series, independently derived and based on different data, agree remarkably with each other.

The difficult task of transforming the index of money wages deduced from the two series into one showing variations in real earnings was accomplished with the aid of a cost-of-living index which he constructed. After plotting his index of real wages on a semilogarithmic chart, Hansen determined, by the freehand method, the straight linear trend of the curve (discounting its decline in the 1860's) and found an average growth in real wages of 1.04 percent annually. He warned, however, that the trend might be considerably altered by future events.

Hansen's real-wage index is presented in chart 2 on an arithmetic scale. Its annual variations appear excessive in comparison with the variance of his index of money wages, and it seems that the price index which he used to deflate money wages was too sensitive. The long-range trend of the original index is represented on the chart by an exponential curve analogous to the straight line plotted by Hansen on a semilogarithmic chart. It indicates an average increase of real wages by 1.1 percent annually, slightly more than Hansen suggested.

[7] Hansen, Alvin, "Factors Affecting the Trend of Real Wages," *American Economic Review*, March 1925, pp. 27-42.

Chart 2.—*Index of average real wages in the United States, according to Alvin Hansen, 1820–1923*

[1913=100]

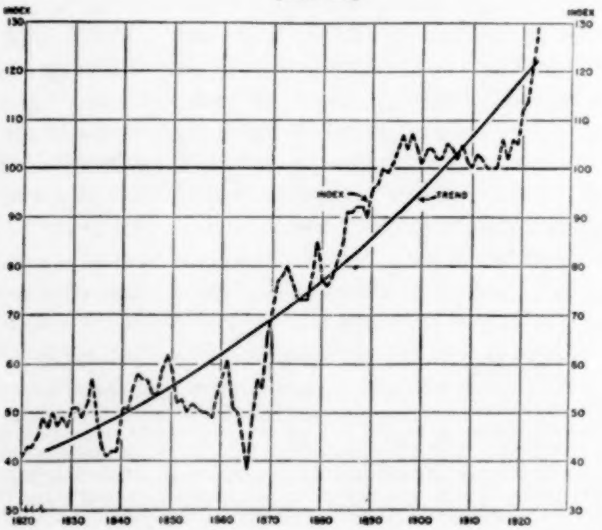
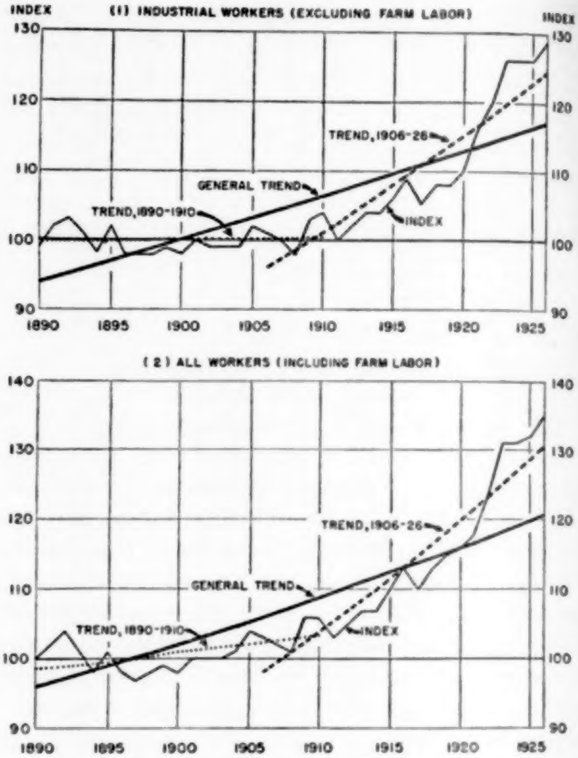


Chart 3.—*Index of average real wages in the United States, according to Paul H. Douglas, 1890–1926*

[1901=100]



Real-wage indexes of Douglas.—From variations in money wages and retail prices, Paul H. Douglas established the probable trend in average real earnings of employed industrial workers from 1890 to 1926.[8] In a paper presented in 1925 before the American Economic Association, he estimated the annual real earnings of all employed workers in 1924 at 128 percent of the average for 1890–99 but found that all gains were made after 1914.[9] He gave an affirmative answer to his question whether a continued increase in real

[8] In an earlier study prepared jointly with France Lamberson, Douglas continued Rubinow's series up to 1918 ("The Movement of Real Wages, 1890-1918," *American Economic Review*, September 1921, pp. 410-426). He found a striking decline in real wages during the World War, with the low mark in 1917. The conclusion Douglas drew was reversed in a later study in which he used a larger statistical base and improved methods of analysis (*Real Wages in the United States, 1890-1926*, Boston, 1930).

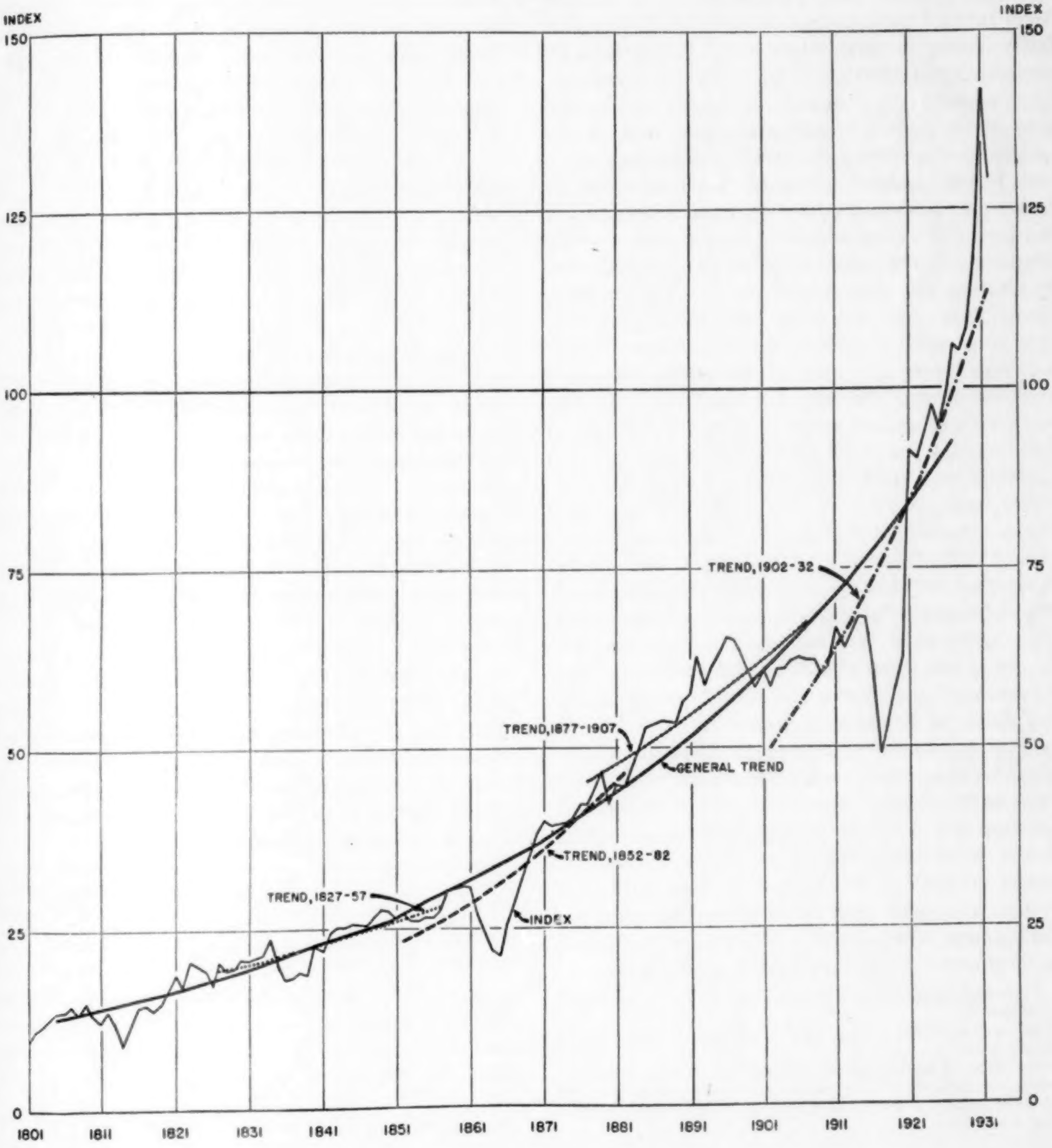
[9] Douglas, Paul H., "The Movement of Real Wages and Its Economic Significance," *American Economic Review*, March 1926, supplement, pp. 17-58.

earnings might be anticipated, with the reservation that a rise in agricultural prices, especially for foodstuffs, might cut the gains in the real earnings of city workers. He thought that this danger would be checked by an increase in the productivity of manufactures on the one hand and trade-union activity on the other.

Later, in his book on real wages, Douglas elaborated his estimate of the progress of wages with allowance for variations in employment.

Chart 4.—*Index of average real wages in the United States, according to Harold G. Moulton, 1801–1932*

[1926=100]



The indexes he established are presented in chart 3. The general trend of each index is shown on this diagram in terms of a steady percentage rate of annual growth during the whole observed period.

Douglas found the average rate of increase in real wages to be 0.62 percent per annum for industrial workers and 0.67 percent for all workers, including farm labor. Although these rates are appreciably lower than those computed by Hansen for a much longer period, the two authors agree fairly closely in their estimates of the increase in earnings from 1890 to 1923. The years covered by Douglas' series include, indeed, a period of stagnation in real wages which was one of the longest in the history of the United States.

A better understanding of the movement of real wages as described by Douglas is obtained if the trend is computed for two 21-year periods separately (1890–1910 and 1906–26), as indicated by the dotted lines on chart 3. The average annual rate of growth in real wages from 1890 to 1910 was only 0.24 percent for all workers, including farm labor, and was still lower for industrial workers alone. On the contrary, in 1906–26, real wages increased at an average annual rate of 1.31 percent for industrial workers and of 1.43 percent for all workers, including farm labor.

Real-wage index of Tucker.—The index of real wages computed by Rufus S. Tucker covers the period 1791–1932 and is based on a compilation of several well-known wage and price indexes.[10] Tucker's method of reducing money wages to currency units with constant purchasing power rests on the observation that wholesale prices are less stable than retail prices and that disparity in the magnitude of variation is particularly obvious in food prices. He therefore suggested that the wholesale-price index used to deflate money wages of the nineteenth century be replaced by a "composite index of cost of living" constructed as an average of the wholesale-price index and the index of money wages.[11] This suggestion was supported by the statement that retail prices are merely a combination of wholesale prices and wages with a small amount of interest, rentals, and profits.

The real-wage index computed with the help of this composite price index is much smoother than that constructed by Hansen, and its trend suggests an average growth in real wages from 1832 to 1932 of 0.93 percent annually. It is, however, open to criticism, since it disregards the fundamental difference between short-term and long-range variations in prices. Although retail prices (and costs of living) are less sensitive to sudden business changes than wholesale prices, there is no evidence that a similar or inverse correlation exists between long-range changes in wholesale and in retail prices. The continuous disparity between the retail and wholesale price trends postulated by Tucker would mean substantially that, from 1830 to 1930, retail prices increased nearly 200 percent (from 59 to 172, with 1913=100), while wholesale prices did not rise more than 40 percent (from 88 to 123). Thus, the "composite index of cost of living" indicates that, if the margin between retail and wholesale prices were 25 percent in 1830 (in terms of wholesale prices), it would amount to 261 percent in 1930.

Real-wage index of Moulton.—From Tucker's index of money wages, Harold G. Moulton deduced an index of real wages for the period 1801–1932, adjusting it to changes in dollar purchasing power by a wholesale-price index of the usual type.[12] Although this deflation factor tends to overrate the magnitude of annual fluctuations in real wages, it gives a more realistic picture of their long-range trend than the "composite index of cost of living."

On chart 4 the trend of real wages estimated by Moulton is represented by an exponential curve rising 17.6 percent per decade or 1.63 percent annually. By dividing the observed period into four overlapping 30-year sections and fitting the trend curve to each section separately, the sectional curves show the following rates of growth in real wages (in percent):

	1827–57	1852–82	1877–1907	1902–32
Average increase per decade	13.7	26.1	14.1	31.6
Average annual increase	1.29	2.35	1.33	2.79

Since Moulton's index refers to earnings of employed workers and does not reflect wage losses due to unemployment, it should be pointed out that the depression of the 1930's wiped out a

[10] Tucker, Rufus S., "Real Wages Under Laissez Faire," Barron's *National Financial Weekly*, Oct. 23, 1933.

[11] For the period prior to 1880, two alternative cost-of-living indexes are suggested—one with wages and wholesale prices equally weighted, the other with wages weighted 2 and wholesale prices 1. Only the first "composite index" is used here.

[12] Moulton, Harold G., *Income and Economic Progress*, Washington, Brookings Institution, 1935.

considerable part of the gains in real earnings in the two preceding decades. Although per capita earnings are now at a high point, probably the average rate of increase in per capita real wages in 1902–42, adjusted to average duration of employment in each year, would be appreciably lower than the 2.79 percent shown for the three decades 1902–32. Therefore, no particular significance may be attributed to the average annual growth of real wages in this period, but in the whole period of more than a hundred years there was a consistent upward trend in real wages and no evidence of a slackening in the rate of increase.

Probable Future Trend in Wages

It is recognized that the statistical series examined in the preceding pages are not equally reliable, and it may be argued that none possesses qualities which permit its extrapolation and projection into the future. If conclusions can be drawn from the examined data, they are based not on extrapolation of any single series but on the fact that all the series, in spite of the many differences in their origins and methods, tell the same story. An upward trend prevailed in real per capita incomes and wages during the last century, and their long-range trend as seen by several independent observers may be conveniently represented by curves with a steady rate of growth. Consequently, it seems defensible to envisage the future course of real wages in the same form, i. e., as a series increasing according to the rule of compound interest. The question of the probable rate of future growth, however, is less clear, in view of the contradictory testimony on this rate in the past.

The average increment seems to be 1.41 percent annually, according to Martin's estimates of national income from 1829 to 1929, and as low as 1.1 percent annually, according to Hansen's estimates of real wages from 1820 to 1923. Real weekly wages increased 0.93 percent annually from 1832 to 1932 according to Tucker, and 1.63 percent annually according to the series constructed by Moulton for the same period. While all the observers agree that the rate of increase after 1900 was larger than in the 1880's or 1890's, the very swift growth in the 1920's, followed by a set-back in the 1930's, would make an extrapolation of the 1917–42 trend as misleading as a projection of the 1907–32 trend curve.

On the basis of the foregoing analysis, however, limits for what may seem to be the probable trend may be established. The series which show a real-wage increase of less than 1 percent annually appear either to overweight a period of stagnation (Douglas) or to use an erroneous price index (Tucker). Likewise, the series carried up to the beginning of the 1920's understated the average annual rate of rise in real wages. Of all the series examined, therefore, those of Martin and Moulton seem to be the most instructive. The former suggests an average growth in real per capita income of 1.41 percent annually; the latter indicates an annual rise in real wages of 1.63 percent.

If it were not for the fundamental bias in the price indexes used to adjust long-term series, the mean of the two rates, 1.5 percent, might represent the probable average rate of annual growth in real wages. Assuming that there was an average downward bias of 2 to 5 percent per decade in price indexes, due to the dispersion of prices and unreported improvement in the range and quality of commodities, the actual rate of increase in real wages is nearer 2.0 than 1.5 percent per annum. For practical purposes, however, an annual increment in the per capita real wage by 1 percent may be regarded as the minimum and 2 percent as the maximum, with 1.5 percent as the median assumption.

Experience-Rating Operations in Wisconsin, 1942*

A review of experience rating in Wisconsin for the year 1940 was carried in an earlier issue of the Bulletin. The unique character of the Wisconsin provisions, the fact that experience rating has been in operation in that State for a longer period than in any other jurisdiction, and the availibility of detailed statistical data lend special interest to this further analysis of operations in that State.

AT THE BEGINNING of 1942, 11,201 Wisconsin employers were eligible for modified contribution rates under the experience-rating provisions of the State unemployment compensation law. Approximately two-thirds of the rated accounts obtained reduced tax rates, more than one-fourth retained the standard rate of 2.7 percent, and rates above 2.7 percent were assigned to the remainder.

These assigned rates will produce an estimated State-wide average yield of 1.4 percent of pay rolls, substantially the same percentage as in 1941. Employers' contributions for 1942 have been estimated at $14.7 million, 48 percent or $13.7 million less than would have been obtained under a uniform 2.7-percent tax rate. Contributions will nevertheless be considerably greater than benefit expenditures, which were $2.9 million in 1941 and probably will not exceed $4.5 million in 1942. On this basis, approximately 32 cents will have been paid in benefits in 1942 for each $1 of contributions.

The experience of numerous States where modified rates have been assigned since 1940 indicates that factors such as size of pay roll, duration of employer coverage, and the payment of voluntary contributions affect the assignment of reduced rates, but the employer's industry appears to play the most important part. For example, the average rates for construction and mining have been consistently higher than the average rates for ordinarily stable industries such as trade and finance, insurance, and real estate. The proportion of Wisconsin employers in the normally stable industries who received reduced rates rose from 1939 to 1940, thus increasing the difference between the average rates of the stable and the irregular industries.[1] Similar findings have been drawn from the experience of other States.[2] As yet the evidence does not demonstrate an equally clear relationship between size of firm and rate variations.

Contribution Rates by Size of Pay Roll

The present analysis focuses attention on the

*Prepared in the Program Division, Bureau of Employment Security.

[1] "Experience Rating in Wisconsin, 1940," *Social Security Bulletin*, Vol. 4, No. 2 (February 1941), pp. 17-25.

[2] "Experience-Rating Operations in 1941," *Social Security Bulletin*, Vol. 5, No. 6 (June 1942), pp. 12-24.

Table 1.—*Number and cumulative percentage of Wisconsin rated accounts in 1942, by date of eligibility for rate modification and average annual pay roll*

Average annual pay roll	Total number rated accounts	Date of eligibility for rate modification											
		Number of accounts						Cumulative percentage					
		January 1938 [1]	January 1938 [2]	January 1939	January 1940	January 1941	January 1942	January 1938 [1]	January 1938 [2]	January 1939	January 1940	January 1941	January 1942
Total	11,201	3,856	515	2,572	1,132	1,501	1,625	34.4	39.0	62.0	72.1	85.5	100.0
Not classified	230	39	9	68	29	39	46	17.0	20.9	50.4	63.0	80.0	100.0
Less than $5,000	1,569	168	31	282	191	368	529	10.7	23.4	30.7	42.8	66.3	100.0
5,000-9,999	2,591	234	74	652	373	600	658	9.0	20.9	37.1	51.4	74.6	100.0
10,000-19,999	2,794	590	149	954	381	396	324	21.1	26.4	60.6	73.9	88.4	100.0
20,000-29,999	1,152	518	96	350	86	61	41	45.0	53.3	83.7	91.2	96.5	100.0
30,000-39,999	697	467	56	114	34	14	12	67.0	75.0	91.4	96.3	98.3	100.0
40,000-49,999	395	279	26	62	15	9	4	70.6	77.2	92.9	96.7	99.0	100.0
50,000-99,999	846	694	49	68	16	12	7	82.0	87.8	95.9	97.8	99.2	100.0
100,000-999,999	816	757	24	22	7	2	4	92.8	95.7	98.4	99.3	99.5	100.0
1,000,000 or more	111	110	1	0	0	0	0	99.1	100.0				

[1] Liable for benefit payments in July 1936.

[2] Liable for benefit payments in January 1937.

question whether large or small employers receive the greater proportion of reduced rates. The length of time a firm has been covered by the law influences rate reduction. Other things being equal, a firm's reserve balance, and its chances to get a reduced rate, would be highest if it had been paying contributions since 1934, the year in which the Wisconsin law became effective. Small firms were at a particular disadvantage because coverage was limited to employers of 10 or more workers until 1936, and it was not until 1939 that employers of 6 or more workers were subject to the law. Entering the system late, such firms could not receive modified rates for 3 years after they first began contributions; hence the distribution of 1942 rates includes some firms entering their fourth year of rate modification and others beginning their first year (table 1). No account was ineligible for rate modification in 1942 because of the coverage provision, but a complete analysis of the size-of-firm factor in rate modification can only be made when the coverage provision in the law has remained unchanged.

Table 2.—*Percent of Wisconsin rated accounts with given 1942 contribution rates, by average annual pay roll*

Average annual pay roll	Rated accounts	Percent of accounts with rates—		
		Below 2.7 percent	2.7 percent	Above 2.7 percent
Total	11,201	64.8	27.8	7.4
Not classified	230	-------	66.1	33.9
Less than $5,000	1,569	54.4	33.8	11.8
5,000–9,999	2,591	60.7	31.6	7.7
10,000–19,999	2,794	68.8	26.2	5.0
20,000–49,999	2,244	72.8	21.4	5.8
50,000–99,999	846	73.4	19.9	6.7
100,000–999,999	816	69.3	25.9	4.8
1,000,000 or more	111	76.6	22.5	.9

There is no doubt that changes in the law have introduced a bias which overemphasizes the high rates of small firms. However, duration of coverage does not depend exclusively on the coverage provision; the births and deaths of firms are also a factor. It is well known that industries such as construction and trade are more likely to have a rapid turn-over of firms than enterprises like banking and insurance. Furthermore, the smaller firms are more prone to enter and leave the business world than are highly capitalized ventures. Therefore, it might be expected that, even apart from the broadening of the coverage provision, the pattern indicated in table 2 would exist. Insofar as reduced rates are more easily obtained when the period of coverage has been long, the high turn-over rate of small firms makes their position less favorable than that of large firms, particularly in industries with stable operations.

Table 3.—*Distribution of Wisconsin employer accounts eligible for rate modification in 1942 and amount of pay roll, by average annual pay roll*

Average annual pay roll	Accounts eligible for rate modification		Pay roll of accounts eligible for rate modification	
	Number	Percentage distribution	Amount (in thousands)	Percentage distribution
Total	11,201	100.0	$810,544	100.0
Not classified	230	2.1	907	.1
Less than $5,000	1,569	14.0	5,043	.6
5,000–9,999	2,591	23.1	20,200	2.5
10,000–19,999	2,794	24.9	43,059	5.3
20,000–49,999	2,244	20.0	76,977	9.5
50,000–99,999	846	7.6	67,178	8.3
100,000–999,999	816	7.3	247,173	30.5
1,000,000 or more	111	1.0	349,493	43.1

Although large firms accounted for more than half of Wisconsin's pay roll, small firms comprised the bulk of all subject employers. A majority of the employers had an average annual pay roll of less than $20,000 (table 3). Some 28 percent had pay rolls ranging from $20,000 to $99,999, 7 percent were in the $100,000 to $999,999 group, and only 1 percent were in the million-dollar class. However, about three-fourths of all taxable wages were paid by the few firms (8.3 percent) with pay rolls of $100,000 or more, and only 8.5 percent of all wage payments were attributable to the 62 percent of the firms whose annual pay rolls were less than $20,000.

Both the number and percent of Wisconsin employers eligible for rate modification have risen steadily since 1939 as the number of subject employers increased and additional employers accu-

Table 4.—*Distribution of Wisconsin rated accounts with given contribution rate, 1939–42*

Contribution rate	1939	1940	1941	1942
Number, total	*7,113*	*8,121*	*9,641*	*11,201*
Percent, total	100.0	100.0	100.0	100.0
Below 2.7	39.7	60.5	65.1	64.8
0.0	5.5	11.1	23.9	25.6
1.0	34.2	49.4	41.2	39.2
2.7	51.1	32.0	26.0	27.8
Above 2.7	9.2	7.5	8.9	7.4
3.2	9.2	4.7	5.2	3.4
3.7	-------	2.8	2.3	2.4
4.0	-------	-------	1.4	1.6

mulated sufficient contribution experience to qualify (table 4). From 7,100 in 1939, the number of rated accounts rose to 8,100 in 1940, to 9,600 in 1941, and to 11,200 in 1942. Although the proportion of employers receiving reduced rates rose appreciably between 1939 and 1941, it remained at the same level in 1942. From 40 percent with rates below 2.7 in 1939, the proportion rose to 61 percent in 1940 and to 65 percent in 1941 and 1942. The percentage of employers with rates above 2.7 percent has been declining over the period, although the change has been less marked.

There was considerable variation in the rates received by firms of different size in 1942; except for one group ($100,000–999,000), the proportion receiving reduced rates increased for each successively larger size-of-pay-roll category (table 2). Only 54 percent of the firms with average annual pay rolls of less than $5,000 received reduced rates, as compared with 77 percent of the million-dollar pay-roll class.

The relationship between size of pay roll and increased rates was not very clear, although relatively few large employers had rates above 2.7 percent. The highest proportion (12 percent) was found among those with pay rolls of less than $5,000, while only 1 of the 111 employers in the million-dollar group received this rate. From 5 to 8 percent of the employers in the other pay-roll classes had rates above 2.7 percent. The normal rate (2.7 percent) was distributed more haphazardly. Employers with pay rolls of less than $5,000 had the highest proportion, while the lowest was found in the $50,000–99,999 class.

The minimum (zero) rate was obtained by 26 percent of all Wisconsin employers eligible for rate modification in 1942, but the percentage of employers with this rate varied from 19 to 34 percent among the various size-of-pay-roll groups. The highest proportion was found in the $20,000–49,999 class, and the lowest was in the million-dollar class. While 39 percent of all employers obtained the 1-percent rate, 58 percent of the largest firms and only 34 percent of the smallest obtained this rate. Unlike the zero rate, the proportion of employers with the 1-percent rate rose as average annual pay rolls increased.

Rates in excess of 2.7 percent were assigned to 7.4 percent of all eligible employers; the majority received such rates because the balance in their accounts was less than 4 percent of their average annual pay roll, while others received high rates because benefits charged to their accounts exceeded credited contributions. The smallest firms had the highest percentage of accounts with rates above 2.7 percent.

Contribution Rates by Industry

As in previous years, reduced rates occurred with relatively greatest frequency in the finance, insurance, and real estate, wholesale and retail trade, and service industries (table 5). From 65 to 85 percent of the firms in each of these three industry divisions had reduced rates, in contrast to only 24 percent of the construction firms. This distribution of reduced rates among the industry divisions conforms to findings for other States. Except for construction, no more than 12 percent of the employers in the remaining industry divisions received rates above 2.7 percent, and in

Table 5.—*Percent of Wisconsin rated accounts with given contribution rates in 1942 and percent with specified average annual pay roll, by industry division*

Industry division	Rated accounts							
	Number	Percentage distribution	Percent with contribution rates of—			Percent with average annual pay roll of [1]—		
			Below 2.7 percent	2.7 percent	Above 2.7 percent	Less than $10,000	$10,000-49,999	$50,000 or more
Total	11,201	100.0	64.8	28.5	6.7	37.9	46.0	16.1
Construction	1,078	9.6	23.5	48.2	28.3	40.0	50.5	9.5
Manufacturing	2,595	23.2	61.5	32.8	5.7	17.4	45.4	37.2
Transportation, communication, and other public utilities	466	4.2	64.8	30.3	4.9	38.1	42.4	19.5
Wholesale and retail trade	4,724	42.2	73.3	23.8	2.9	44.4	46.7	8.9
Finance, insurance, and real estate	722	6.4	85.0	13.2	1.8	36.3	53.0	10.7
Service industries	1,495	13.3	65.3	22.9	11.8	53.3	37.8	8.9
Not elsewhere classified	121	1.1	37.2	38.0	24.8	33.3	56.7	10.0

[1] Excludes 230 rated accounts not classified by size of pay roll.

finance and trade the percentage was less than 3.0. On the other hand, 28 percent of the construction employers received rates in excess of 2.7 percent, as compared with 7 percent of all employers.

The 2.7-percent rate was assigned to 48 percent of the construction employers, but to only 13 percent of the finance, insurance, and real estate employers and to 23 percent of those in the service groups—an indication that the 2.7-percent rate was actually a high rate for employers in the stable industries.

Slightly more than half of the employers in finance, insurance, and real estate were exempt from paying contributions during 1942, in contrast to 5 percent of the construction employers. The wholesale and retail trade group had 29 percent of its employers at the zero rate, and the remaining industry divisions ranged from 21 to 27 percent. At the other extreme, the 4-percent maximum rate was assigned to almost 6 percent of the construction employers but to less than 1 percent of the employers in wholesale and retail trade and finance, insurance, and real estate.

Contribution Rates in Relation to Size of Pay Roll and Industry

The contribution rates of employers in the various industry divisions may be related not only to the stability of the industries' operations but also to the size of firms and the length of time they have been covered by the law. Using pay roll as a measure,[3] the size of the enterprises among the industry groups appears to differ considerably. While only 2.4 percent of the construction employers, 3 percent of the employers in service, 4 percent in wholesale and retail trade, and 5 percent in finance, insurance, and real estate had average annual pay rolls of $100,000–999,999, 24 percent of the employers in manufacturing were in that pay-roll group. On the other hand, the smallest firms, with annual pay rolls below $5,000, were most prevalent among service and trade employers. Small pay rolls were most characteristic of service, wholesale and retail trade, and construction. Large pay rolls were found chiefly in manufacturing; 37 percent of all manufacturing employers, but only 16 percent of all employers, had average annual pay rolls of $50,000 or more (table 5). Transportation had higher-than-average percentages of both small and large pay rolls, but relatively few $10,000–49,999 pay rolls. Since there is such a wide variation in the characteristic size of firms from one industry to another, a comparison of the distribution of rates by size of firm among the industry groups should not assume the same definition of "small" and "large" firms in each industry.

The relation of size of pay roll to modified rates was not uniform within each industry. While a definite relationship could be seen in finance and trade, it was not so sharply defined in transportation, manufacturing, and service. Nevertheless, in each of these industries, the larger employers were most likely to obtain reduced rates. No direct relationship between size of pay roll and reduced rates existed in construction, where proportionately few of the largest and smallest employers had reduced rates. By and large, employers with pay rolls under $10,000 tended to have the lowest proportions of reduced rates. However, the experience of the small firms varied among the industry divisions, and the difference cannot be attributed entirely to changes in the coverage provisions of the Wisconsin law. Probably the varying mortality rates of firms in different industries and pay-roll categories account, in part, for the experience of the small firms.

The distribution of the rates above 2.7 percent was less orderly, even for the stable industries. The larger firms again were least likely to have high rates, regardless of industry. The notable exception was construction, where one-fourth of the largest employers ($100,000–999,999) received rates above 2.7 percent. The instability of operations in the construction industry probably exposes the larger firms to the most severe fluctuations of employment between contracts. Size appears to influence the assignment of increased rates less than it does reduced rates, for the range among the size-of-pay-roll classes in the proportion receiving increased rates was slight even in the stable industries.

The assignment of the standard rate reversed the pattern of the reduced rates, especially in the stable industries. For example, in trade, the percentage of employers with reduced rates increased steadily from 60 to 100 percent from the smallest to the largest size-of-pay-roll class, but

[3] For the purpose of this analysis, it is assumed that hours of work, level of wages, composition of the labor force, and ratio of human to machine labor do not vary widely among the several industries.

Table 6.—*Distribution of Wisconsin rated accounts by industry division and average annual pay roll, and percentage distribution of accounts in each industry and pay-roll division by contribution rate* [1]

Industry division and contribution rate	Average annual pay roll								
	Total	Less than $5,000	$5,000–9,999	$10,000–19,999	$20,000–49,999	$50,000–99,999	$100,000–999,999	$1,000,000 or more	Not classified
	Number of rated accounts								
Total	11,201	1,569	2,591	2,794	2,244	846	816	111	230
Construction	1,078	112	281	294	203	70	24	—	94
Manufacturing	2,595	125	321	505	663	350	520	87	24
Wholesale and retail trade	4,724	787	1,283	1,297	885	255	149	10	58
Service industries	1,495	409	367	336	214	79	49	1	40
Finance, insurance, and real estate	722	52	209	227	154	44	29	4	3
	Percentage distribution by contribution rate								
All accounts:									
Below 2.7	64.8	54.4	60.7	68.8	72.8	73.4	69.3	76.6	0.0
2.7	28.5	33.8	31.6	26.2	21.4	19.9	25.9	22.5	66.1
Above 2.7	6.7	11.8	7.7	5.0	5.8	6.7	4.8	.9	33.9
Construction:									
Below 2.7	23.5	17.8	29.9	22.5	30.0	27.1	12.5	—	0
2.7	48.2	43.7	45.2	54.7	39.9	35.8	62.5	—	66.0
Above 2.7	28.3	38.5	24.9	22.8	30.1	37.1	25.0	—	34.0
Manufacturing:									
Below 2.7	61.5	45.6	44.5	62.6	64.8	68.0	61.3	71.3	0
2.7	32.8	39.2	36.2	34.5	30.6	27.1	34.2	27.6	66.6
Above 2.7	5.7	15.2	19.3	2.9	4.6	4.9	4.5	1.1	33.3
Wholesale and retail trade:									
Below 2.7	73.3	59.6	66.5	78.1	85.1	87.8	95.2	100.0	0
2.7	23.8	34.6	30.3	20.9	13.0	11.8	3.4	0	69.0
Above 2.7	2.9	5.8	3.2	1.0	1.9	.4	1.4	0	31.0
Finance, insurance, and real estate:									
Below 2.7	85.0	42.9	50.0	100.0	0	95.5	96.6	100.0	0
2.7	13.2	57.1	50.0	0	0	4.5	3.4	0	66.6
Above 2.7	1.8	0	0	0	100.0	0	0	0	33.3
Service industries:									
Below 2.7	65.3	54.7	60.5	75.5	82.3	77.2	81.7	0	0
2.7	22.9	29.4	26.7	17.6	13.5	7.6	10.2	100.0	60.0
Above 2.7	11.8	15.9	12.8	6.9	4.2	15.2	8.1	0	40.0

the proportions with the 2.7-percent rate moved in the opposite direction—from 35 percent to zero (table 6). Among the less stable industries there was a less clearly marked tendency for a higher percentage of firms with small pay rolls to have the normal rate. This analysis suggests that a large wage bill is not in itself a guarantee of low contribution rates. Furthermore, the industry in which a firm operates limits the extent to which a large firm's experience will differ from that of a smaller one. Where operations are normally steady and the industry enjoys a fairly low average contribution rate, the advantage of the larger employers appears to be greatest. In addition, differences in rates may be due to voluntary contributions, which large firms are more likely to make, and to employment stabilization programs, which large firms are better able to undertake.

Contribution rates within the major industry groups were also analyzed. In construction, general building contractors had relatively the greatest number of large firms, but special trade contractors had a higher proportion of employers with reduced rates. The experience of the general building contractors was, however, better than that of the remaining construction group (general contractors other than building), for only 9 percent of the employers in the latter group had reduced rates and 59 percent had rates above 2.7 percent. Since about one-fourth of all construction employers were found in this industry group, its experience was reflected in the average for the entire industry division. Unlike all other industries, the large firms not only failed to show conspicuously higher percentages of reduced rates, but, in the case of building construction and general contractors (other than building), their experience was noticeably less favorable than that of the small firms. Whether this situation is peculiar to the employers in the Wisconsin construction industry or is due to the characteristics of the industry itself is difficult to determine.

A high proportion of the large firms obtained reduced rates in other major industries where the industry as a whole had regular operations and a high proportion of reduced rates. Thus, 84 percent of the paper manufacturers and 88 percent of the employers in printing and publishing re-

Table 7.—*Number and percent of 8,075 identical Wisconsin experience-rating accounts with given contribution rates, 1940–42*

Year	All accounts	Accounts receiving rates of—					
		0 percent	1.0 percent	2.7 percent	3.2 percent	3.7 percent	4.0 percent
	Number						
1940	8,075	826	3,957	2,708	377	207	(1)
1941	8,075	2,225	3,451	1,780	280	213	126
1942	8,075	2,718	3,001	1,794	210	178	174
	Percent						
1940	100.0	10.2	49.0	33.5	4.7	2.6	....
1941	100.0	27.6	42.7	22.0	3.5	2.6	1.6
1942	100.0	33.7	37.2	22.2	2.6	2.2	2.1

[1] 4-percent rate not effective until 1941.

ceived reduced rates, in contrast to 62 percent of all manufacturing employers. In these two industry groups, all employers with pay rolls above $1 million, as well as all with pay rolls over $100,000 in printing, received reduced rates. For manufacturing as a whole, only 71 percent of the $1 million employers obtained reduced rates. Similarly, in two major industry groups in the transportation division—utilities and communications—which had high percentages of employers at reduced rates, all the firms with pay rolls of $1 million or over received reduced rates.

Rates for Identical Employers, 1940–42

An analysis of the contribution rates assigned to 8,100 Wisconsin employers who were eligible for experience rating in the 3 years, 1940, 1941, and 1942, reveals that the rates of individual employers did not fluctuate sharply over the period, in spite of the fact that the average rate for all employers declined (table 7). The percentage of accounts at the minimum rate more than tripled from 1940 through 1942, while those at the 1.0-percent and 2.7-percent rates declined. The numbers at the rates above 2.7 percent remained fairly constant through the 3 years, although the group receiving

Table 8.—*Number and percent of 8,075 identical Wisconsin rated accounts with given 1940, 1941, and 1942 contribution rates* [1]

Contribution rates		Number of rated accounts with—							Percent of rated accounts with 1942 rates of—					
1940	1941	1940 and 1941 rates specified	1942 rates of— 0 percent	1.0 percent	2.7 percent	3.2 percent	3.7 percent	4.0 percent	0 percent	1.0 percent	2.7 percent	3.2 percent	3.7 percent	4.0 percent
	Total	8,075	2,718	3,001	1,794	210	178	174	33.7	37.2	22.2	2.6	2.2	2.1
	Subtotal	5,676	2,451	2,554	640	31	....	....	43.2	45.0	11.3	.5	....	....
0.0	0.0	607	402	132	67	6	....	....	66.2	21.8	11.0	1.0	....	....
1.0	0.0	1,182	792	358	30	2	....	....	67.0	30.3	2.5	.2	....	....
2.7	0.0	423	242	139	40	2	....	....	57.2	32.9	9.4	.5	....	....
3.2	0.0	13	12	1	0	0	....	....	92.3	7.7	0	0	....	....
0.0	1.0	171	69	80	21	1	....	....	40.3	46.8	12.3	.6	....	....
1.0	1.0	2,409	712	1,395	293	9	....	....	29.5	57.9	12.2	.4	....	....
2.7	1.0	866	221	445	189	11	....	....	25.5	51.4	21.8	1.3	....	....
3.2	1.0	5	1	4	0	0	....	....	20.0	80.0	0	0	....	....
	Subtotal	1,780	266	442	996	76	....	....	14.9	24.8	56.0	4.3	....	....
0.0	2.7	42	4	4	33	1	....	....	9.5	9.5	78.6	2.4	....	....
1.0	2.7	344	33	123	180	8	....	....	9.6	35.8	52.3	2.3	....	....
2.7	2.7	1,266	223	299	692	52	....	....	17.6	23.6	54.7	4.1	....	....
3.2	2.7	107	6	14	73	14	....	....	5.6	13.1	68.2	13.1	....	....
3.7	2.7	21	0	2	18	1	....	....	0	9.5	85.7	4.8	....	....
	Subtotal	619	1	5	158	103	178	174	.2	.8	25.5	16.6	28.8	28.1
0.0	3.2	6	0	0	2	0	4	....	0	0	33.3	0	66.7	....
1.0	3.2	22	0	0	8	5	9	....	0	0	36.4	22.7	40.9	....
2.7	3.2	153	1	2	55	30	65	....	.7	1.3	35.9	19.6	42.5	....
3.2	3.2	68	0	1	33	21	13	....	0	1.5	48.5	30.9	19.1	....
3.7	3.2	31	0	0	25	6	0	....	0	0	80.6	19.4	0	....
3.2	3.7	184	0	0	21	26	47	90	0	0	11.4	14.1	25.6	48.9
3.7	3.7	29	0	1	11	4	11	2	0	3.5	37.9	13.8	37.9	6.9
3.7	4.0	126	0	1	3	11	29	82	0	.8	2.4	8.7	23.0	65.1

[1] As of Mar. 31, 1942, the following changes were made in the bases and methods of computing contribution rates for each of the 3 years: Sec. 108.18 (2) (E), first applicable to 1942 contribution rates, set up the following additional condition as prerequisite to obtaining reduced rate: "The employer's pay roll for each of the 3 years preceding such [computation] date has equaled at least $100 and at least 10 percent of his largest pay roll for any 1 of those 3 years, . . ." Sec. 108.18 (5) (E) of the 1939 statutes, providing for stepping up employer's contribution rate by 0.5 percent whenever his account became overdrawn at close of any month, was effective as to 1940 and 1941 contribution rates but was repealed for contribution rates applicable during 1942. A minor change was also made in alternative pay-roll bases to be used in calculating employer's reserve percentage (sec. 108.02 (11)), on which contribution rates are based.

Source: Wisconsin Research and Statistics Unit.

the 3.2-percent rate declined slightly. This group of identical accounts had a slightly higher percentage of rate reductions in 1942 than did the larger group of 11,200 rated accounts.

A tendency for 1941 and 1942 rates to be identical with or close to 1940 rates was clearly demonstrated (table 8). Ninety percent of the 2,700 accounts with the zero rate in 1942 had received reduced rates in 1941, and 74 percent had received such rates in both 1940 and 1941. None of those exempt from contributions in 1942 had a rate above 3.2 percent in 1940, and only 1 had a rate above 2.7 percent in 1941. Eighty-five percent of the 3,000 employers with a rate of 1.0 percent in 1942 had rates of zero or 1.0 percent in 1941, and 65 percent had zero or 1.0 percent in both 1940 and 1941. Less than 1 percent of these employers had a rate above 2.7 percent in 1941.

Among the group with the 2.7-percent rate in 1942, only 56 percent had received the same rate in 1941, while 39 percent received it in both 1940 and 1941. A rather large group, 36 percent, received a rate of 2.7 percent in 1942 after having had zero or 1.0 percent in 1941. This shift may be attributed to the fact that pay rolls of employers with reduced rates for 1941 were increasing; the combination of rising pay rolls and reduced contributions brought their reserve balances below the point required for assignment of reduced rates. Similarly, 36 percent of the 200 employers with a 3.2-percent rate in 1942 had 2.7 percent, and almost half had 3.2 percent or higher in 1941. Nearly all the employers with the highest rates in 1942 (3.7 or 4.0 percent) had high rates in the previous years. Because of the provision in the law which prevents any rate above the standard from increasing by more than 0.5 percent in any year, no employer could get a rate of 4.0 percent in 1942 unless he had had 3.7 percent in 1941. However, few firms with high rates in 1941 received a reduction in 1942. Only 1 of the 600 employers whose rates were above 2.7 percent in 1941 received the zero rate in 1942, and only 5, the 1.0-percent rate. About one-fourth of the group obtained the standard rate, but almost three-fourths continued to have the high rates. Of the 57 percent who received rates of 3.7 or 4.0 percent, every employer had had 3.7 or 4.0 percent the previous year.

PUBLIC ASSISTANCE

BUREAU OF PUBLIC ASSISTANCE

Changes in Public Assistance Programs, 1940–42

The greatly increased demand for manpower since the expansion of our defense program in the summer of 1940 has, during 1942, drawn upon the group of families who would otherwise have been receiving assistance. Despite rising costs of living, increased income in many families with employable members has resulted in significant decreases in the need for public assistance. Declines occurred first in general assistance; both case loads and payments under this program have been drastically curtailed. Some of the persons receiving general assistance in 1940, however, have been transferred to the special types of public assistance, as these programs were further developed. A decline in both case loads and payments of aid to dependent children has been partially obscured by the initiation, since mid-1940, of Federal-State programs in five States and by the continuing expansion of programs in some other States. An upward trend in 1941 in the number of recipients of old-age assistance was halted in 1942 and, in the latter part of the year, turned slightly downward; payments, however, have increased almost without interruption. Only under the program of aid to the blind did both recipients and payments continue to increase through September 1942.

The direction and extent of the changes in the coverage and costs of the four public assistance programs have differed strikingly from State to State. Variations are explained by the maturity of the pre-war programs as well as by differences in the extent to which persons in the various States have found increased opportunities for employment.

Old-age assistance.—During 1941 the trend in the number of recipients of old-age assistance was upward; in 1942, however, declines in the number of applications received for old-age assistance and increases in the number of recipients for whom aid was discontinued contributed to a leveling off and subsequent minor decline in the number of recipients. In September 1942, despite recent declines, the number of recipients in the United States was 11 percent larger than in September 1940 (table 1). Expansion in 3 States—Georgia, Texas, and Washington—was responsible for a substantial part of this increase. In 30 of the 51 States, trends were downward during the 12 months October 1941–September 1942, whereas case loads had increased in all but 5 States in the preceding year.

Only about 63 percent as many persons applied for old-age assistance in the first 9 months of 1942 as in the same months in 1941. Closings were 12 percent more numerous in the 9-month period in 1942.

Increases in the cost of living have been accompanied by a general rise in levels of payments. From September 1940 to September 1942 the amount of payments increased more than 25 percent, as contrasted with the rise of less than 12 percent in the number of recipients. Over the 2-year period, total payments declined in only three States—Delaware, Maryland, and South Dakota (table 2).

Aid to the blind.—In the country as a whole the program of aid to the blind continued to expand slightly; in September 1942, the number of recipients was about 9 percent higher than in September 1940. More than half the increase in case load resulted from the development of the new Federal-State program in Texas. Increases over the 2-year period occurred, however, in 25 States. In 6 States—the District of Columbia, Georgia, Michigan, Mississippi, Montana, and Rhode Island—

Table 1.—*Percentage changes in number of recipients and amount of payments for public assistance, by program, September 1940–September 1942*

Program	Percentage change		
	September 1940–September 1941	September 1940–September 1942	September 1941–September 1942
Old-age assistance:			
Recipients	+9.3	+11.3	+1.8
Payments	+15.4	+25.6	+8.9
Aid to dependent children:			
Recipients	+7.5	+7.0	−.5
Payments	+10.8	+15.1	+3.8
Aid to the blind:			
Recipients	+3.5	+9.3	+5.6
Payments	+4.4	+13.9	+9.1
General assistance:			
Recipients [1]	−35.0	−58.0	−35.4
Payments [1]	−35.2	−54.5	−29.7

[1] Partly estimated.

Table 2.—*States with specified percentage change in number of recipients of public assistance and amount of payments from September 1940 to September 1942, by program*

Percentage change	Old-age assistance		Aid to dependent children [1]		Aid to the blind [1]		General assistance [2]	
	Recipients	Payments	Recipients (families)	Payments	Recipients	Payments	Cases	Payments
INCREASE: Total number	42	48	18	29	25	35	2	4
Under 5	Alaska, Colo., Conn., D. C., Iowa, Mass., Mont., Nebr., Tenn., Vt., Va., Wis., Wyo.	Calif., Mo., N. J	La., Mont., N. C., Ohio, Okla.	Nebr., N. C., N. Dak., Ohio, Tenn., Utah.	Colo., Iowa, Nebr., N. Mex., S. C., S. Dak., Tenn., Vt.	Mass., N. J., S. C.	W. Va	Ariz., S. C.
5-9.9	Ala., Ark., Calif., Idaho, Ill., Ind., Ky., La., N. Mex., N. C., N. Dak., Ohio, Okla., R. I., Utah.	Alaska, Iowa, Minn., Nev., Pa., Va., Wis., Wyo.	Ark., Pa	Ala., Idaho	Ala., Hawaii, N. H., Va.	N. H., Ohio, Vt., Va., Wash.	S. C.	
10-19.9	Ariz., Fla., Kans., Miss., Mo., N. H., Oreg., S. C	Ala., Colo., Conn., D. C., Hawaii, Ind., Mass., N. Mex., N. Y., N. C., Ohio, Vt.	D. C., Ga., Maine, Vt.	D. C., La., Mich., Mont., Oreg., R. I., Vt.	Ariz., Ark., Fla., Minn., N. C.	Conn., Idaho, Minn., Nebr., N. Mex., N. Y., N. C., Oreg., Tenn.		
20-29.9	Maine, Mich., W. Va.	Idaho, Ky., La., Maine, Miss., Mont., Nebr., N. Dak., Okla., Oreg., Tenn., Utah.	Mo., N. Mex	Ga., Kans., Maine, Pa.	La., W. Va	Ala., Colo., Hawaii, Iowa, Kans.		N. Mex., W. Va.
30-39.9		Ark., Fla., Ill., Kans., N. H., R. I.	Fla., N. H., S. C., Va.	N. H., S. C., Va., Wash.	D. C., Mich	Fla., Ind.		
40-49.9		Ariz., Mich., S. C		Ark., Fla., N. Mex.	Mont., R. I	Ariz., La., Okla.		
50-99.9	Ga., Tex., Wash	W. Va	W. Va	Mo., Okla	Ga., Miss	Ark., D. C., Mich., Mont., R. I., W. Va.		
100 or over		Ga., Tex., Wash		W. Va		Ga., Miss.		
DECREASE: Total number	9	3	24	13	17	8	42	41
Under 5	Minn., N. Y., Pa., S. Dak.	Del., Md., S. Dak	Kans., Mich., N. Dak., R. I., Tenn.	Minn., Wyo	Calif., Conn., Idaho, Ind., Kans., N. J., N. Y., Ohio, Okla., Mass., Wash., Wis., Wyo.	Wis	Ala	Ala.
5-9.9	Hawaii, Nev., N. J		Ala., Idaho, Mass., Minn., Nebr., Oreg., Wyo.	Calif., Colo., Miss., Wis.		Calif., Md., S. Dak., Utah, Wyo.		Ark.
10-19.9	Del., Md		Ariz., Colo., Ind., Utah, Wash., Wisc.	Ariz., Del., Ind., N. Y.	Maine, Md., Utah	Maine	Ark	Ga., Miss.
20-29.9			Calif., Del., N. Y	Hawaii, Md		N. Dak	D. C., Nev	Colo., D. C., Fla., Md., Nev., N. C., Va., Wash., Wyo.
30-39.9			Hawaii, Md., N. J	N. J	N. Dak		Ariz., Fla., Ga., Md., N. Mex., N. C., Va.	Mo., N. Y., N. Dak., Oreg., Tex., Vt.
40-49.9							Colo., Miss., Mo., N. Y., N. Dak., Vt., Wyo.	Ill., Kans., Maine, Mont., Nebr., Okla., Utah.
50-59.9							Del., Idaho, Ill., Iowa, Kans., Maine, Mass., Mich., Minn., Mont., Nebr., Oreg., Tex., Utah, Wash.	Del., Idaho, Iowa, Mass., Mich., Minn., R. I.
60-69.9							Conn., Ind., N. J., Ohio, Wis.	Conn., Ind., N. J., Ohio, Wis.
70-99.9							Calif., La., Pa., R. I.	Calif., La., Pa.
No change					Oreg.			

[1] Excludes those States not having plans approved by Social Security Board in September 1940.

[2] Excludes Territories, Kentucky, New Hampshire, South Dakota, and Tennessee and cases for Oklahoma, because complete data not available.

the increases exceeded 30 percent. In 17 States, case loads were smaller in September 1942 than 2 years earlier. Most of the declines were small, but they were substantial in Maryland, Utah, and North Dakota. In North Dakota, recipients 65 years of age and over were transferred to old-age assistance.

In States operating Federal-State programs in both periods, the number of persons applying for aid to the blind from January to September 1942 was only 74 percent as large as in the corresponding months of 1941. Closings increased only slightly.

Total expenditures for assistance in September 1942 were about 14 percent higher than in September 1940. Such expenditures, however, increased 30 percent or more in 13 States, and 70 percent or more in the 6 States with exceptionally large increases in case load listed above. Decreases in expenditures occurred in only 8 States.

Aid to dependent children.—Expanding employment opportunities have affected the program of aid to dependent children to a greater extent than the programs of old-age assistance and aid to the blind. In September 1942 the number of families on the rolls was 7 percent larger than in September 1940, but was smaller than in any month since January 1941. In a few States, case loads began to decrease as early as the summer of 1940. For the country as a whole, case loads declined each month from June to October 1941. The trend was reversed in the next 6 months by the inauguration of new Federal-State programs in Illinois, Texas, and Connecticut, but turned downward again in April 1942.

The States operating programs under the Social Security Act in September 1940 and September 1942 may be divided into two groups—those with a 2-year decline in case loads and those in which case loads showed a net increase. In the first group of 24 States the number of families receiving aid to dependent children declined by 29,800 or 17 percent; in the second group of 18 States, 16,000 more families were being aided.

In the States with Federal-State programs in both periods, the number of applications for aid to dependent children was only about 66 percent as large in the first 9 months of 1942 as in the same months in 1941. Some 22 percent more cases were closed from January to September 1942 than in the corresponding months of 1941.

Total expenditures in September 1942 were about 15 percent greater than in September 1940. Expenditures increased in 29 States; increases amounted to 40 percent or more in Arkansas, Florida, Missouri, New Mexico, Oklahoma, and West Virginia.

The levels of payments to families with dependent children have risen in the past 2 years with the rise in the cost of living, although in the great majority of States the increases have not been commensurate with the increase of about 20 percent in living costs. The increased Federal share of assistance—from one-third to one-half—has contributed to the increases in individual payments. Many States also have used funds freed by declining case loads for increasing the adequacy of individual payments.

General assistance.—Since September 1940, increases in employment have resulted in progressive reductions in the volume of general assistance. In practically every State, as well as for the country as a whole, the trend of general assistance has been downward, although there have been the usual seasonal fluctuations. Despite rising living costs, the decline of 58 percent in general assistance cases has been matched by a nearly equivalent decline in expenditures. The declines in State case loads from September 1940 to September 1942 have in general been substantial; case loads decreased by more than 50 percent in 24 States. In South Carolina and West Virginia, the only States with gains in case loads over this 2-year period, the increases were only 6 percent and 1 percent, respectively. Expenditures declined more than 50 percent in 15 States. Increases occurred in only 4 States.

Although the volume of general assistance will probably continue to decline, following a slight upturn in the winter months, it seems improbable that the need for general assistance will recede to much lower levels. Families with employable members are comprising a diminishing proportion of the total case load although, according to reports from 19 of the largest cities, families with employable members still constitute the major portion of the turn-over group. Some families on the rolls have members whose employability, even in times of acute manpower shortage, is limited by disadvantages of age, race, sex, health, education, experience, and other factors. Many families now on the rolls have no member who is even marginally employable.

Statistics for the United States

During October, $104 million was expended for public assistance and earnings under the Federal work programs in the continental United States. This total represented a decrease of 1.2 percent from September and a monthly decline for the seventh consecutive month. The reduction in general assistance and in WPA programs continued to be the main factors in the decline.

The number of recipients of all three special types of public assistance decreased from September. Assistance payments for aid to dependent children declined at a slower rate than the number of recipients, and payments to recipients of old-age assistance and aid to the blind increased, resulting in an increase in average payments for each category. The number of recipients of old-age assistance declined for the fourth consecutive month, while the increase in payments continued. During this 4-month period, the number of recipients decreased nearly 8,500, and payments increased more than $1.8 million. Recipients of aid to dependent children dropped for the seventh consecutive month from the peak reached in March. During this time the number of families declined 26,900 and children 65,800. Payments in October were $791,400 below the all-time high reached in

Table 3.—*Public assistance and Federal work programs in the continental United States, by month, October 1941–October 1942* [1]

[In thousands]

Year and month	Total	Special types of public assistance				General assistance	Farm Security Administration [2]	Civilian Conservation Corps [3]	National Youth Administration [4]		Work Projects Administration [5]	Other Federal agency projects financed from emergency funds [6]
		Old-age assistance	Aid to dependent children		Aid to the blind				Student work program	Out-of-school work program		
			Families	Children								
	Number of recipients and persons employed											
1941												
October	....	2,214	385	928	76	796	13	144	273	288	1,009	4
November	....	2,224	385	928	77	782	16	143	341	303	1,027	2
December	....	2,234	390	941	77	798	26	126	333	283	1,023	2
1942												
January	....	2,240	396	953	78	836	42	115	306	234	995	2
February	....	2,241	399	960	78	817	46	107	256	231	998	2
March	....	2,245	401	965	78	785	38	95	247	220	933	1
April	....	2,245	401	963	78	723	24	76	237	205	837	(7)
May	....	2,248	399	958	79	657	14	64	215	181	759	(7)
June	....	2,250	395	949	79	607	12	53	135	184	671	(7)
July	....	2,249	390	937	79	566	(8)	(8)	0	(8)	505	(8)
August	....	2,248	386	928	79	550	(8)	(8)	0	(8)	428	(8)
September	....	2,245	382	919	79	528	(8)	(8)	1	(8)	382	(8)
October	....	2,242	374	899	79	503	(8)	(8)	46	(8)	357	(8)
	Amount of assistance and earnings											
1941												
October	$161,387	$46,863	$12,701		$1,949	$18,570	$372	$9,616	$1,731	$7,115	$61,976	$494
November	160,420	47,236	12,842		1,969	18,440	509	9,572	2,364	7,419	59,746	323
December	169,890	47,523	13,111		1,993	19,477	748	8,448	2,290	6,849	68,971	480
1942												
January	162,106	47,931	13,310		2,029	20,141	1,404	7,686	1,842	5,747	61,763	253
February	157,488	48,522	13,553		2,017	19,225	1,663	7,135	1,675	5,656	57,807	235
March	159,470	48,283	13,639		2,029	18,820	1,383	6,332	1,670	5,407	61,786	121
April	150,349	48,458	13,591		2,037	17,182	907	5,071	1,637	5,101	56,306	59
May	141,426	48,903	13,451		2,038	15,394	496	4,262	1,555	4,787	50,506	34
June	135,388	49,128	13,321		2,054	14,149	418	3,544	956	4,929	46,861	28
July	120,016	49,578	13,219		2,055	13,647	(8)	(8)	0	(8)	41,517	(8)
August	109,686	50,037	13,330		2,069	13,312	(8)	(8)	0	(8)	30,938	(8)
September	104,899	50,320	13,054		2,083	13,000	(8)	(8)	10	(8)	26,432	(8)
October	103,691	50,906	12,848		2,086	12,550	(8)	(8)	377	(8)	24,924	(8)

[1] Partly estimated and subject to revision. For 1933 data, see the Bulletin, February 1941, pp. 66 and 68; for January 1934–September 1941, see the Bulletin, February 1942, pp. 26–29. For definitions of terms, see the Bulletin, September 1941, pp. 50–52; see also footnotes 3–6.

[2] Data from the FSA.

[3] Data from the CCC. Beginning July 1941, earnings of persons enrolled estimated by the CCC by multiplying average monthly number of persons enrolled by average of $67.20 for each month for enrollees other than Indians and $60.50 for Indians.

[4] Data from the NYA. Beginning July 1941, number employed on out-of-school work program based on an average of weekly employment counts during month.

[5] Data from the WPA. Beginning July 1942, amount of earnings represents expenditures (approved vouchers) for labor during month.

[6] Data from the Bureau of Labor Statistics. Beginning October 1941, represents employment and earnings on projects financed from PWA funds only; data not available for other Federal agency projects financed under Emergency Relief Appropriation acts, but latest available reports showed total monthly employment of approximately 1,000 and monthly earnings of approximately $100,000.

[7] Less than 500 persons.

[8] For changes in series, see the Bulletin, September 1942, pp. 32 ff.

Table 4.—*Special types of public assistance: Recipients and payments to recipients in States with plans approved by the Social Security Board, by month, October 1941–October 1942* [1]

Year and month	Number of recipients				Amount of payments to recipients			
	Old-age assistance	Aid to dependent children		Aid to the blind	Total	Old-age assistance	Aid to dependent children	Aid to the blind
		Families	Children					
1941								
October	2,217,351	380,895	919,682	51,791	$60,769,958	$46,932,298	$12,606,360	$1,231,300
November	2,227,616	381,191	919,944	52,187	61,311,517	47,305,062	12,759,465	1,246,990
December	2,237,842	387,160	934,983	52,616	61,924,352	47,592,299	13,068,695	1,263,358
1942								
January	2,243,339	393,109	947,970	53,095	62,550,649	48,001,120	13,271,190	1,278,339
February	2,244,703	396,417	954,865	53,455	63,396,366	48,592,406	13,511,395	1,292,565
March	2,248,637	398,533	959,196	53,764	63,252,291	48,353,231	13,597,643	1,301,417
April	2,248,480	397,724	956,922	53,914	63,387,765	48,528,225	13,549,280	1,310,260
May	2,250,988	395,742	952,038	54,129	63,691,944	48,973,118	13,405,449	1,313,377
June	2,253,308	392,182	943,080	54,378	63,799,817	49,197,634	13,276,979	1,325,204
July	2,252,097	386,800	930,621	54,480	64,155,411	49,648,127	13,173,249	1,334,035
August	2,251,040	383,459	921,422	54,601	64,733,510	50,108,701	13,283,744	1,341,065
September	2,248,468	379,604	912,776	54,651	64,755,462	50,392,098	13,008,969	1,354,395
October	2,244,739	371,563	893,068	54,583	65,138,298	50,978,108	12,801,194	1,358,996

[1] For definitions of terms, see the Bulletin, September 1941, pp. 50–52.

March. The number of recipients and payments to recipients of aid to the blind continued to show only minor changes from the previous month, although the decline in number of recipients during October was contrary to the slight upward trend.

General assistance cases declined 4.8 percent and payments 3.5 percent from September 1942, thus continuing the downward trend evident since January. During this time, cases decreased 39.8 percent and payments 37.7 percent. The num-

Table 5.—*General assistance: Cases and payments to cases, by State, October 1942* [1]

State	Number of cases receiving assistance	Amount of payments to cases	Average payment per case	Percentage change from— September 1942 in— Number of cases	September 1942 in— Amount of payments	October 1941 in— Number of cases	October 1941 in— Amount of payments
Total [2]	504,000	$12,572,000	$24.95	−4.8	−3.5	−36.8	−32.4
Ala.	2,307	21,390	9.27	−4.0	−8.6	−.6	+3.9
Alaska	193	6,623	34.32	−18.2	−36.7	(3)	(3)
Ariz.	2,455	50,901	20.73	−6.2	−2.1	−8.1	+3.2
Ark. [4]	3,699	23,522	6.36	−2.0	−1.0	+16.2	+61.9
Calif.	19,197	448,415	23.36	−8.7	−11.0	−40.9	−36.2
Colo. [5]	6,731	131,010	19.46	−2.9	+2.7	−19.0	−10.3
Conn.	4,290	123,006	28.67	−4.9	−.8	−40.7	−39.3
Del.	467	9,812	21.01	−2.5	+.4	−37.5	−35.8
D. C.	1,342	34,377	25.62	−3.3	−4.7	−39.2	−36.5
Fla.	6,161	44,624	7.24	−7.7	−5.4	−24.8	−23.7
Ga.	4,536	36,148	7.97	+.3	+.6	−24.6	−9.2
Hawaii	725	15,576	21.48	−3.7	−3.7	−21.3	−8.2
Idaho [6]	1,006	15,659	15.57	−3.7	−1.7	−24.0	−14.1
Ill.	61,813	1,729,908	27.99	−7.2	−3.7	−41.6	−28.7
Ind. [5]	12,820	199,546	15.57	−5.7	−5.6	−44.7	−42.8
Iowa	10,584	175,312	16.56	−7.1	−2.7	−33.6	−30.9
Kans.	6,619	126,170	19.06	−6.8	−3.6	−43.4	−33.3
Ky.	[7] 3,200	[7] 35,000					
La. [8]	2,939	58,470	19.89	+297.2	+209.9	−75.3	−69.3
Maine	3,454	83,399	24.15	−5.1	−9.2	−38.7	−35.4
Md.	5,725	136,292	23.81	−3.6	−.7	−18.2	−7.8
Mass.	23,658	617,952	26.12	−5.8	−1.8	−32.7	−34.1
Mich.	20,904	509,566	24.38	−5.6	−.2	−33.3	−31.9
Minn.	12,234	258,041	21.09	−5.5	−3.8	−39.5	−40.1
Miss.	519	2,865	5.52	+.2	+4.6	−25.1	+12.0
Mo. [4]	12,147	$218,575	$17.99	−3.1	+11.3	−18.9	−.2
Mont.	1,636	27,898	17.05	−5.7	−5.9	−36.9	−31.6
Nebr.	3,517	45,230	12.86	−2.4	−2.0	−31.5	−21.2
Nev.	337	5,634	16.72	−4.5	−4.0	−26.6	−20.3
N. H.	2,497	58,756	23.53	−3.4	−2.0	−30.5	−29.8
N. J. [5]	13,883	332,723	23.97	−5.6	−4.5	−40.3	−37.8
N. Mex. [4]	1,198	16,500	13.77	+3.0	+6.8	+26.8	+168.2
N. Y.	[9] 124,943	4,705,113	37.66	−3.7	−4.9	−30.4	−29.8
N. C.	3,304	25,680	7.77	−3.5	−1.0	−15.7	−8.2
N. Dak.	1,336	21,729	16.26	−.5	+1.8	−32.1	−25.0
Ohio	26,030	516,130	19.83	−5.6	−2.6	−38.3	−35.5
Okla.	[10] 6,728	40,199	(10)	(10)	+15.1	(10)	−5.2
Oreg.	3,207	77,498	24.17	−5.5	−2.4	−40.5	−24.5
Pa.	42,035	858,159	20.42	−6.2	−4.7	−51.8	−50.6
R. I. [11]	2,725	102,232	37.52	−6.9	−2.6	−41.9	−33.9
S. C.	2,470	20,510	8.30	+6.8	+1.5	+2.4	+3.1
S. Dak.	1,707	25,870	15.16	+7.9	+18.2	−33.7	−26.7
Tenn.	[7] 2,000	[7] 14,000					
Tex.	5,492	59,956	10.92	−6.7	−8.5	−38.0	−25.5
Utah	2,280	63,312	27.77	−5.6	−5.5	−44.9	−39.0
Vt.	1,158	24,307	20.99	+9.1	+11.3	−16.3	−4.0
Va.	4,093	43,892	10.72	−.2	+1.5	−17.8	−12.4
Wash.	4,764	114,764	24.09	−2.7	−5.3	−34.9	−13.5
W. Va.	9,534	99,368	10.42	−10.3	−17.0	−26.1	−25.3
Wis.	12,035	272,162	22.61	−5.5	+.3	−40.4	−39.6
Wyo.	615	11,663	18.96	−6.8	−.8	−21.0	−10.7

[1] For definitions of terms, see the Bulletin, September 1941, pp. 50–52.
[2] Partly estimated; does not represent sum of State figures, because an estimated number of cases receiving medical care, hospitalization, and/or burial only and total payments for these services in 3 States have been excluded, and data on cases aided in Oklahoma estimated to exclude duplication.
[3] Data not reported previous to September 1942.
[4] State program only; excludes program administered by local officials.
[5] Includes unknown number of cases receiving medical care, hospitalization, and/or burial only, and total payments for these services.
[6] Excludes assistance in kind and cases receiving assistance in kind only and, for a few counties, cash payments and cases receiving cash payments. Amount of payments shown represents approximately 70 percent of total expenditures.
[7] Estimated.
[8] Represents data for State program which resumed operation on Oct. 1, and program administered by the city of New Orleans for employables only.
[9] Includes cases receiving medical care only; number believed by State agency to be insignificant.
[10] Represents 3,275 cases aided under program administered by State board of public welfare, and 3,453 cases aided by county commissioners; amount of duplication believed to be large; average per case and percentage change in number of cases cannot be computed.
[11] Partly estimated.

ber of persons employed by WPA dropped 6.6 percent and earnings 5.7 percent from the September levels, continuing the downward trend started in March for employees and in April for earnings.

Old-age assistance accounted for 49.1 percent of the total expenditures for the month; aid to dependent children, 12.4 percent; aid to the blind, 2.0 percent; general assistance, 12.1 percent; NYA student work program, 0.4 percent; and WPA, 24.0 percent. The total earnings on Federal work programs constituted 50.1 percent of the total for October a year ago.

In States with plans approved by the Social

Table 6.—*Old-age assistance: Recipients and payments to recipients, by State, October 1942* [1]

State	Number of recipients	Amount of payments to recipients	Average payment per recipient	Percentage change from— September 1942 in— Number of recipients		Percentage change from— October 1941 in— Number of recipients	
				Number of recipients	Amount of payments	Number of recipients	Amount of payments
Total [2]	2,244,739	$50,978,108	$22.71	−0.2	+1.2	+1.2	+8.6
Ala.	21,471	204,434	9.52	−1.6	−4.6	+5.6	+10.8
Alaska	1,548	45,996	29.71	−.3	−.1	−1.3	+.9
Ariz.	9,590	333,927	34.82	−.1	+.2	+5.2	+8.3
Ark.	24,858	231,758	9.32	−.8	+2.7	−2.5	+19.2
Calif.	155,386	5,674,672	36.52	−.4	−.3	−1.9	−1.8
Colo.	[3] 42,405	[3] 1,570,332	37.03	−.3	−.2	−.8	−2.9
Conn.	17,266	513,283	29.73	−.6	−.3	−2.6	+.1
Del.	2,221	28,919	13.02	−.5	−.3	−10.7	−2.7
D. C.	3,443	93,772	27.24	−1.2	−.3	−3.2	+1.7
Fla.	43,597	625,693	14.35	(4)	+.2	+13.9	+22.1
Ga.	69,319	628,994	9.07	+1.5	+2.5	+31.2	+41.2
Hawaii	1,613	25,900	16.06	−1.9	+.6	−11.6	+10.5
Idaho	9,781	260,375	26.62	−.2	+7.7	+1.6	+18.7
Ill.	150,972	4,123,663	27.31	+.1	+.6	+1.2	+15.3
Ind.	69,841	1,427,908	20.45	−.5	+.6	+1.1	+10.8
Iowa	55,924	1,222,377	21.86	−.5	+.1	−2.1	+1.7
Kans.	30,876	732,587	23.73	(5)	+3.4	+2.7	+13.6
Ky.	54,236	549,828	10.14	−1.0	−.6	−8.8	+2.0
La.	37,536	523,829	13.96	+5.8	+9.6	+5.3	+11.4
Maine	16,153	347,831	21.53	−.3	(4)	+11.9	+14.9
Md.	15,639	309,234	19.77	−1.3	−.1	−11.1	−3.1
Mass.	85,815	2,890,022	33.68	−.4	+.4	−1.9	+12.6
Mich.	90,746	1,839,686	20.27	−.5	+.2	−1.8	+12.4
Minn.	62,627	1,419,931	22.67	−.3	(4)	−1.3	+3.7
Miss.	26,654	240,920	9.04	−.5	−.4	−3.0	−1.2
Mo.	113,857	1,562,936	13.73	−.4	+.4	−2.4	+4.0
Mont.	12,344	286,534	23.21	+.5	+.4	−.6	+9.9
Nebr.	28,920	602,004	20.82	−.6	−.5	−1.9	+2.4
Nev.	2,160	67,021	31.03	−.8	−.5	−5.4	+1.3
N. H.	7,264	167,475	23.06	(4)	(4)	+1.6	+5.7
N. J.	29,326	680,178	23.19	−.3	+.1	−5.3	+.2
N. Mex.	5,173	88,736	17.15	(5)	+2.1	+6.1	+11.4
N. Y.	117,464	3,387,549	28.84	−.4	+2.5	−3.2	+7.9
N. C.	39,166	405,789	10.36	−.3	−.2	+1.1	+3.1
N. Dak.	9,391	177,321	18.88	−.6	−.6	−.5	+5.3
Ohio	138,763	3,719,475	26.80	−.3	+9.7	−.1	+13.8
Okla.	78,181	1,613,995	20.64	+.2	+.5	+.8	+15.3
Oreg.	21,154	513,274	24.26	−1.2	−.2	−2.3	+8.2
Pa.	95,808	2,356,210	24.59	−.7	−.3	−6.4	+2.6
R. I.	7,419	181,917	24.52	−.4	+.6	+1.6	+18.4
S. C.	21,406	217,702	10.17	+.1	−1.2	+13.4	+28.7
S. Dak.	14,620	283,488	19.39	−.4	(4)	−2.1	+.3
Tenn.	40,587	501,097	12.35	−.1	−.3	+2.6	+24.2
Tex.	179,522	3,692,205	20.57	+.8	+2.0	+16.5	+27.1
Utah	14,358	388,079	27.03	−.6	−.6	−1.8	−1.1
Vt.	5,437	97,180	17.87	−.6	−.4	−4.1	+.2
Va.	19,362	202,338	10.45	−.9	−.3	−4.5	−1.4
Wash.	63,669	2,142,842	33.66	−.8	−.8	+3.1	+5.4
W. Va.	23,148	406,157	17.55	−1.7	−2.7	+9.1	+14.0
Wis.	53,214	1,277,229	24.00	−.4	−.1	−2.2	+2.1
Wyo.	3,509	93,506	26.65	−.1	+7.0	−.6	+9.8

[1] For definitions of terms, see the Bulletin, September 1941, pp. 50–52.
[2] All 51 States have plans approved by the Social Security Board.
[3] Includes $113,321 incurred for payments to 3,057 recipients 60 but under 65 years of age.
[4] Increase of less than 0.05 percent.
[5] Decrease of less than 0.05 percent.

Table 7.—*Aid to the blind: Recipients and payments to recipients, by State, October 1942* [1]

State	Number of recipients	Amount of payments to recipients	Average payment per recipient	Percentage change from— September 1942 in—		Percentage change from— October 1941 in—	
				Number of recipients	Amount of payments	Number of recipients	Amount of payments
Total	78,980	$2,087,562	$26.43	−0.2	+0.1	+3.7	+7.0
Total, 44 States [2]	54,583	1,358,996	24.90	−.1	+.3	+5.4	+10.4
Ala.	649	6,488	10.00	−.3	−3.7	+2.2	+13.4
Ariz.	419	14,182	33.85	(3)	−.6	+3.7	+9.1
Ark.	1,165	12,321	10.58	−.5	+2.5	+.6	+18.3
Calif. [4]	7,061	331,431	46.94	−.4	−.2	−3.4	−2.7
Colo.	636	21,415	33.67	−.2	−.3	+2.9	+6.9
Conn. [4]	200	5,619	28.10	−2.0	−4.6	−6.5	−7.6
D. C.	292	9,793	33.54	−1.4	−1.8	+18.7	+31.9
Fla. [4]	2,729	41,726	15.29	−.1	+.1	+3.7	+11.1
Ga.	2,150	25,516	11.87	+1.4	+2.5	+29.3	+39.2
Hawaii	74	1,381	18.66	(5)	(5)	(5)	(5)
Idaho	278	7,525	27.07	+1.1	+6.4	−.7	+17.1
Ill.	*7,386*	*228,462*	*30.93*	*−.9*	(6)	*+.6*	*+2.9*
Ind.	2,358	65,572	27.81	−.5	+.5	(6)	+32.2
Iowa	1,540	42,829	27.81	−.1	+.2	−1.0	+13.0
Kans.	1,306	33,110	25.35	−1.1	+3.1	−4.6	+7.8
La.	1,400	24,560	17.54	+2.7	+5.1	+11.8	+16.1
Maine	1,040	23,781	22.87	−1.0	−.6	−4.9	−4.9
Md.	580	13,356	23.03	−1.4	−1.4	−11.2	−5.7
Mass.	1,080	27,193	25.18	−1.7	−1.0	−8.6	−3.0
Mich.	1,376	36,695	26.67	−.6	−.3	+3.3	+12.0
Minn.	1,036	29,382	28.36	+.1	+.8	+3.9	+9.8
Miss.	1,357	14,448	10.65	−.5	−.6	+12.8	+21.7
Mo.	[7] *3,100*	[7] *84,900*					
Mont.	313	7,823	24.99	−.3	−.2	+9.4	+20.7
Nebr. [4]	715	15,641	21.88	−1.1	−.7	−5.4	−1.8
Nev.	*26*	*940*	*36.15*	(5)	(5)	(5)	(5)
N. H.	327	7,715	23.59	−.6	(6)	−1.5	−.6
N. J.	699	17,693	25.31	−1.3	−.5	−5.7	−.5
N. Mex.	241	4,945	20.52	+.4	+2.6	+3.4	+15.9
N. Y.	2,817	83,282	29.56	−.6	+1.4	−1.3	+8.2
N. C.	2,238	34,116	15.24	−.4	−.2	+7.4	+9.5
N. Dak.	136	2,918	21.46	+1.5	−15.2	(3)	−1.1
Ohio	3,873	83,411	21.54	−.3	+.5	−2.7	+3.1
Okla.	2,153	50,498	23.45	−1.0	−.4	−1.3	+26.3
Oreg.	443	12,992	29.33	−2.2	−2.0	−7.3	+4.8
Pa.	*13,885*	*414,264*	*29.84*	*−.1*	*−.3*	*−.2*	*+.2*
R. I.	97	2,232	23.01	(5)	(5)	(5)	(5)
S. C.	812	8,310	10.23	−1.8	−3.3	+2.0	+4.2
S. Dak.	258	4,001	15.51	+1.2	+2.8	+2.4	+4.1
Tenn.	1,667	20,938	12.56	+.2	+.3	+2.8	+15.1
Tex.	3,728	85,974	23.06	+3.8	+4.1	+197.8	+194.4
Utah	165	4,653	28.20	+1.9	+1.9	−5.2	−.5
Vt.	157	3,552	22.62	(3)	−.1	−2.5	+.6
Va.	1,061	13,876	13.08	−.8	+.1	+.4	+3.8
Wash.	938	33,622	35.84	−1.1	−1.1	−10.0	−8.0
W. Va.	1,018	22,801	22.40	−1.5	−2.6	+9.1	+14.9
Wis.	1,869	45,736	24.47	−.9	−.7	−5.1	−2.4
Wyo.	132	3,944	29.88	−.8	+4.9	−5.7	+7.1

[1] For definitions of terms, see the Bulletin, September 1941, pp. 50–52. Figures in italics represent programs administered under State laws from State and/or local funds without Federal participation. Delaware and Alaska do not have programs for aid to the blind.
[2] Total for States with plans approved by the Social Security Board. In addition, Federal funds were available for Kentucky but no payments were made under approved plan for October.
[3] No change.
[4] Includes program administered under State law without Federal participation.
[5] Not computed; less than 100 recipients.
[6] Decrease of less than 0.05 percent.
[7] Estimated.

Security Board, the number of recipients of old-age assistance was smaller than in September in 42 States, and for aid to the blind in 30 States. Only Connecticut, Illinois, and Texas, where plans were approved within the past year, and New Hampshire, where the change was only one-tenth of 1 percent, reported increases in number of families receiving aid to dependent children. All but 8 of the 51 States reported a decrease in number of cases receiving general assistance, and 43 of the 50 States having a WPA program reported decreases in number of persons employed.

Table 8.—*Aid to dependent children: Recipients and payments to recipients, by State, October 1942*[1]

State	Number of recipients		Amount of payments to recipients	Average payment per family	Percentage change from—					
					September 1942 in—			October 1941 in—		
					Number of recipients		Amount of payments	Number of recipients		Amount of payments
	Families	Children			Families	Children		Families	Children	
Total	375,173	901,560	$12,881,581	$34.34	−2.1	−2.2	−1.6	−2.9	−3.2	+1.1
Total, 47 States [2]	371,563	893,068	12,801,194	34.45	−2.1	−2.2	−1.6	−2.5	−2.9	+1.5
Alabama	5,368	15,313	85,618	15.95	−2.8	−2.7	−5.6	−7.3	−8.1	+6.5
Alaska	*43*	*125*	*2,119*	*49.28*	*−4.4*	*−1.6*	*−5.4*	(3)	(3)	(3)
Arizona	2,069	5,657	71,106	34.37	−1.9	−.9	−1.4	−14.9	−14.6	−12.1
Arkansas	6,015	15,869	92,948	15.45	−1.5	−.9	+.8	−5.1	−2.7	+9.6
California	11,407	27,421	629,365	55.17	−3.9	−3.7	−3.3	−24.4	−23.7	−13.1
Colorado	5,316	13,218	165,746	31.18	−2.8	−2.4	−2.5	−13.4	−12.5	−11.2
Connecticut	2,064	5,344	123,622	59.89	+3.1	+3.0	+3.7	[4] +73.4	[4] +95.9	[4] +138.8
Delaware	388	1,061	13,752	35.44	−6.3	−10.5	−5.9	−33.2	−36.1	−28.7
District of Columbia	1,049	3,224	40,467	38.58	−.4	+.1	−1.5	+3.7	+8.8	+7.1
Florida [5]	5,380	12,259	130,901	24.33	−1.0	−5.5	−1.6	+14.9	+7.8	+18.6
Georgia	4,648	11,291	106,212	22.85	−.4	−.5	+.2	+2.0	+1.0	+6.9
Hawaii	735	2,280	31,708	43.14	−2.3	−2.3	−.4	−33.7	−35.4	−22.2
Idaho	2,568	6,679	88,667	34.53	−5.2	−5.1	−3.3	−15.6	−13.7	−5.3
Illinois	23,415	52,931	760,698	32.49	+1.0	+.7	+.8	+127.8	+127.0	+153.1
Indiana	13,634	28,827	431,267	31.63	−2.9	−2.4	−1.9	−13.3	−11.8	−7.9
Iowa	*3,081*	*6,652*	*59,452*	*19.68*	*−1.3*	*−2.0*	*+1.7*	*−14.7*	*−13.0*	*−9.8*
Kansas	6,073	14,766	226,309	37.26	−4.3	−4.7	−.4	−7.0	−5.3	+8.5
Kentucky	[6] *459*	[6] *1,473*	[6] *16,100*							
Louisiana	13,781	35,336	377,062	27.36	−1.9	−1.6	−.7	−10.0	−9.4	−6.9
Maine	1,750	4,933	75,548	43.17	−1.8	−1.4	−1.1	+1.3	+5.4	+9.2
Maryland	4,652	12,973	155,689	33.47	−3.4	−2.8	−3.9	−22.1	−20.9	−18.1
Massachusetts	10,479	25,368	655,743	62.58	−9.0	−9.7	−1.7	−15.2	−16.4	−8.0
Michigan	18,972	44,018	819,836	43.21	−2.3	−2.4	−2.6	−12.0	−13.0	−7.1
Minnesota	8,320	20,095	294,641	35.41	−2.0	−2.2	−.6	−9.7	−8.1	−7.3
Mississippi	2,538	6,493	51,084	20.13	−1.1	−1.3	−1.3	+7.2	+5.0	+5.3
Missouri	13,854	31,821	422,604	30.50	−.3	−.3	(7)	−3.1	−3.5	+28.7
Montana	2,346	5,853	73,832	31.47	−3.1	−2.8	−2.6	−9.4	−7.9	−4.4
Nebraska [8]	4,826	10,950	152,360	31.57	−3.1	−2.7	−3.0	−15.9	−14.4	−15.8
Nevada	*107*	*242*	*2,716*	*25.38*	*+5.9*	*+12.6*	*+11.5*	*−10.1*	*−12.6*	*−6.0*
New Hampshire	853	2,154	42,358	49.66	+.1	+.8	+2.7	+20.5	+21.9	+33.8
New Jersey	7,447	17,041	237,853	31.94	−2.7	−2.7	−2.7	−22.3	−22.1	−21.8
New Mexico	2,448	7,137	75,652	30.90	−.4	−.9	+4.2	+16.9	+19.5	+41.3
New York	26,142	52,430	1,368,853	52.36	−3.3	−2.9	+.1	−16.2	−14.8	−6.8
North Carolina	9,383	21,958	161,552	17.22	−1.9	−2.1	−1.3	−4.6	−5.7	−2.1
North Dakota	2,287	[6] 6,335	75,172	32.87	−3.2		−2.2	−6.6		−1.7
Ohio	10,978	28,777	434,678	39.60	−1.5	−2.4	−.5	−7.1	−7.9	−7.5
Oklahoma	18,715	43,398	419,622	22.42	−1.7	−1.8	−1.5	−6.5	−5.6	+14.6
Oregon	1,766	4,168	85,676	48.51	−4.3	−4.6	−2.5	−13.9	−13.4	−1.9
Pennsylvania	42,496	106,483	1,883,577	44.32	−3.8	−3.8	−3.9	−26.0	−26.0	−10.6
Rhode Island	1,222	3,377	67,398	55.15	−2.8	−.9	+.6	−6.7	−8.9	+12.6
South Carolina	3,893	11,308	62,013	15.93	−1.1	−1.5	−1.1	−.8	−.4	−4.4
South Dakota	1,849	4,375	53,396	28.88	−.6	−.1	−.8	+9.3	+10.6	+13.0
Tennessee	13,754	34,631	268,135	19.50	−.6	−.4	−.1	−2.7	−1.8	+1.7
Texas	21,560	44,178	227,865	10.57	+6.0	+5.3	+5.5	(9)	(9)	(9)
Utah	2,788	7,359	129,942	46.61	−6.5	−6.4	−3.9	−30.5	−30.0	−23.9
Vermont	689	1,831	22,704	32.95	−1.1	−.9	−.6	−1.0	−1.4	+1.0
Virginia	4,797	14,313	99,466	20.74	−1.1	+2.8	−.9	+3.0	+5.0	+6.3
Washington	4,122	10,139	197,336	47.87	−5.7	−5.1	−3.5	−21.9	−20.0	−6.2
West Virginia	12,042	32,430	373,930	31.05	−4.9	−4.0	−5.3	+16.3	+18.0	+23.4
Wisconsin	10,049	23,574	415,221	41.32	−3.3	−2.5	−.5	−16.6	−14.4	−9.9
Wyoming	636	1,692	22,010	34.61	−5.6	−4.9	−4.3	−16.5	−14.1	−12.7

[1] For definitions of terms, see the Bulletin, September 1941, pp. 50-52. Figures in italics represent programs administered under State laws from State and/or local funds without Federal participation.
[2] Total for States with plans approved by the Social Security Board.
[3] Percentage change not computed, since data for October 1941 were estimated.
[4] No approved plan for October 1941. Percentage change based on program administered under State law without Federal participation.
[5] Includes program administered under State law without Federal participation.
[6] Estimated.
[7] Decrease of less than 0.05 percent.
[8] In addition, in 63 counties payments amounting to $9,919 were made from local funds without State or Federal participation to 569 families in behalf of 1,426 children under the State mothers'-pension law; some of these families also received aid under plan approved by the Social Security Board.
[9] October 1941 was first month of operation under approved plan. Percentage change not computed, since number of families and amount of payments made were negligible in that month.

Table 9.—*Public assistance and Federal work programs, by State, October 1942* [1]

State	Number of recipients and persons employed						Amount of assistance and earnings (in thousands)				
	Special types of public assistance [2]			General assistance (cases)	National Youth Administration student work program	Work Projects Administration	Total	Special types of public assistance [2]	General assistance	National Youth Administration student work program	Work Projects Administration
	Old-age assistance	Aid to dependent children (families)	Aid to the blind								
Total	2,244,739	375,173	78,980	[3] 504,000	46,308	356,859	$103,821	$65,947	[3] $12,572	$377	$24,925
Alabama	21,471	5,368	649	2,307	1,212	8,502	890	297	21	8	564
Alaska	1,548	*43*		193			55	*48*	7		
Arizona	9,590	2,069	419	2,455	145	1,066	566	419	51	2	94
Arkansas	24,858	6,015	1,165	[4] 3,699	520	7,860	689	337	[4] 24	3	325
California	155,386	11,407	7,061	19,197	1,283	9,516	7,973	6,635	448	14	875
Colorado	42,405	5,316	636	[5] 6,731	694	1,917	2,043	1,757	[5] 131	6	149
Connecticut	17,266	2,064	200	4,290	140	1,307	885	643	123	1	118
Delaware	2,221	388		467	46	394	86	43	10	1	33
District of Columbia	3,443	1,049	292	1,342	236	1,069	276	144	34	3	95
Florida	43,597	5,380	2,729	6,161	1,017	9,991	1,470	798	45	7	620
Georgia	69,319	4,648	2,150	4,536	1,864	10,694	1,399	761	36	10	593
Hawaii	1,613	735	74	725		4	75	59	16		(6)
Idaho	9,781	2,568	278	[7] 1,006	171	1,312	471	357	[7] 16	1	97
Illinois	150,972	23,415	*7,586*	61,813	2,605	25,492	8,912	*5,113*	1,730	26	2,043
Indiana	69,841	13,634	2,358	[5] 12,820	1,179	7,720	2,697	1,925	[5] 200	12	561
Iowa	55,924	*3,081*	1,540	10,584	1,279	4,263	1,831	*1,325*	175	11	320
Kansas	30,876	6,073	1,306	6,619	877	3,741	1,374	992	126	7	249
Kentucky	54,236	*459*		[8] 3,200		10,638	1,232	[8] *566*	[8] 35		631
Louisiana	37,536	13,781	1,400	[10] 2,939	1,781	7,491	1,369	925	[10] 58	13	372
Maine	16,153	1,750	1,040	3,454	102	611	571	447	83	1	40
Maryland	15,639	4,652	580	5,725	194	1,802	766	478	136	2	149
Massachusetts	85,815	10,479	1,080	23,658	1,330	16,950	5,489	3,573	618	13	1,285
Michigan	90,746	18,972	1,376	20,904		13,606	4,346	2,696	510		1,141
Minnesota	62,627	8,320	1,036	12,234	1,606	7,300	2,635	1,744	258	13	621
Mississippi	26,654	2,538	1,357	519	1,376	8,981	747	306	3	8	430
Missouri	113,857	13,854	[8] *3,100*	[4] 12,147	855	12,926	3,210	[8] *2,070*	[4] 219	7	914
Montana	12,344	2,346	313	1,636	260	2,315	577	368	29	2	179
Nebraska	28,920	4,826	715	3,517	963	2,777	1,026	770	45	7	204
Nevada	2,160	*107*	*26*	337		289	95	*71*	6		19
New Hampshire	7,264	853	327	2,497	14	1,172	347	218	59	(6)	71
New Jersey	29,326	7,447	699	[5] 13,883	601	12,473	2,281	936	[5] 333	6	1,007
New Mexico	5,173	2,448	241	[4] 1,198	272	2,883	368	169	[4] 17	2	180
New York	117,464	26,142	2,817	[11] 124,943	4,421	36,116	12,736	4,840	4,705	34	3,157
North Carolina	39,166	9,383	2,238	3,304	1,066	8,379	1,046	601	26	9	410
North Dakota	9,391	2,287	136	1,336	543	880	342	255	22	3	62
Ohio	138,763	10,978	3,873	26,030		16,487	5,995	4,238	516		1,241
Oklahoma	78,181	18,715	2,153	[12] 6,728	999	7,995	2,551	2,084	40	8	418
Oregon	21,154	1,766	443	3,207	162	513	746	612	77	2	55
Pennsylvania	95,808	42,496	*13,885*	42,035	4,223	28,859	7,732	*4,654*	858	38	2,181
Rhode Island	7,419	1,222	97	[9] 2,725	33	1,138	498	252	[9] 102	(6)	144
South Carolina	21,406	3,893	812	2,470	1,435	8,170	729	288	21	11	410
South Dakota	14,620	1,849	258	1,707	787	1,186	446	341	26	4	75
Tennessee	40,587	13,754	1,667	[8] 2,000	2,358	8,670	1,173	790	[8] 14	17	352
Texas	179,522	21,560	3,728	5,492	3,945	19,921	5,096	4,006	60	32	998
Utah	14,358	2,788	165	2,280	346	1,065	685	523	63	3	96
Vermont	5,437	689	157	1,158	99	454	180	123	24	1	31
Virginia	19,362	4,797	1,061	4,093	985	3,821	601	316	44	10	231
Washington	63,669	4,122	938	4,764	84	1,506	2,631	2,374	115	1	141
West Virginia	23,148	12,042	1,018	9,534	886	9,762	1,442	803	99	5	534
Wisconsin	53,214	10,049	1,869	12,035	1,192	4,454	2,403	1,738	272	12	381
Wyoming	3,509	636	132	615	122	421	159	119	12	1	27

[1] See footnotes to table 3.
[2] Figures in italics represent programs administered under State laws from State and/or local funds without Federal participation. See tables 6, 7, and 8 for additional data by program.
[3] Partly estimated; does not represent sum of State figures, because an estimated number of cases receiving medical care, hospitalization, and/or burial only and total payments for these services in 3 States have been excluded, and cases aided in Oklahoma have been estimated to exclude duplication.
[4] State program only; excludes program administered by local officials.
[5] Includes unknown number of cases receiving medical care, hospitalization, and/or burial only, and total payments for these services.
[6] Less than $500.
[7] Excludes assistance in kind and cases receiving assistance in kind only and, for a few count…, cash payments and cases receiving cash payments. Amount of payments shown represents approximately 70 percent of total expenditures.
[8] Estimated.
[9] Partly estimated.
[10] Represents data for State program which resumed operation on Oct. 1, and program administered by the city of New Orleans for employables only.
[11] Includes cases receiving medical care only; number believed by State agency to be insignificant.
[12] Represents 3,275 cases aided under program administered by State board of public welfare, and 3,453 cases aided by county commissioners; amount of duplication believed to be large.

EMPLOYMENT SECURITY

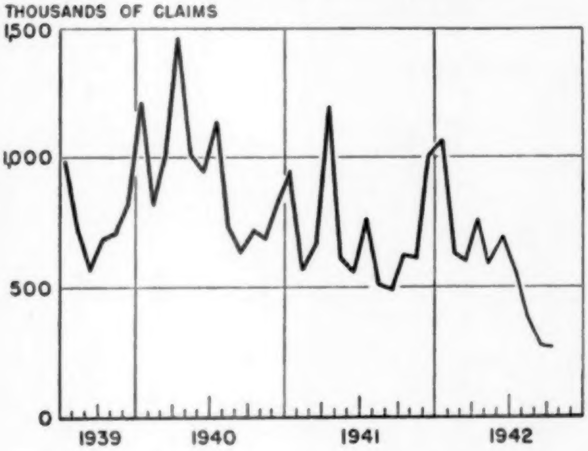
BUREAU OF EMPLOYMENT SECURITY • PROGRAM DIVISION

Operations of the Employment Security Program

Insurance Activities

Dwindling unemployment coupled with growing labor shortages in many areas brought unemployment compensation payments during October to the lowest point for any month since January 1938, when less than half the States were paying benefits. Total payments declined 25 percent below the September amount, to $16.9 million, as decreases occurred in every jurisdiction except Alaska. This drop was an extension of the almost continuous reduction in the benefit load which has been occurring since March—the high month of 1942. Although payments have always declined from September to October, the drop this year was the sharpest on record and reflected the elimination of seasonal lay-offs in many industries, as well as a tightening labor market.

Chart 1.—*Number of initial claims received in local offices, by month, July 1939–October 1942*



Disbursements during the first 10 months of 1942 totaled $322 million, 8.6 percent more than in the corresponding months of 1941. This higher level of disbursements was largely a result of conversion unemployment in the early months of 1942, together with liberalized benefit provisions in a number of States and greater base-period earnings. The gap between cumulative 1941 and 1942 disbursements has narrowed in recent months, however, as payments have dropped sharply.

The decline in benefits has followed a similarly sharp falling off in man-weeks of unemployment for which claims have been filed, as reflected in continued claims received in local offices. Receipts dropped to 1.5 million, approximately one-fourth below the record low established in September and two-fifths below the total in October 1941. Man-weeks of unemployment for which benefit payments were issued totaled 1.3 million during October, also one-fourth less than in September.

The volume of new unemployment among covered workers, as reflected in local office initial-claim receipts, declined to a new low for the third successive month, presaging a still further reduction in the benefit load in subsequent months. October initial-claim receipts fell 7.3 percent below the September total to 270,000, less than half the total a year earlier.

October was the fourth successive month in which the estimated number of different individuals receiving at least one benefit check declined. Benefit recipients totaled only 401,000 during the

Table 1.—*Summary of employment security operations, October 1942*

Item	Number or amount	Percentage change from—	
		September 1942	October 1941
Insurance activities:			
Initial claims (local office)	270, 231	−7.3	−56.4
Continued claims	1, 515, 542	−23.9	−40.7
Waiting-period	166, 661	−18.0	−65.9
Compensable	1, 348, 881	−24.6	−34.7
Weeks compensated	1, 354, 130	−24.8	−32.0
Total unemployment	1, 254, 838	−24.4	−29.5
Part-total unemployment [1]	30, 531	−27.3	----------
Partial unemployment [1]	67, 070	−30.0	[2]−51.7
Gross benefits paid	$16, 985, 558	−24.6	−21.2
Net benefits paid since benefits first payable	$2, 009, 991, 478	----------	----------
Number of benefit recipients:			
Estimated individuals during month	400, 900	−26.3	----------
Weekly average for month	310, 431	−26.6	−27.8
Placement activities:			
Placements	1, 530, 522	+9.5	+63.8
Agricultural	848, 593	+13.5	+108.0
Nonagricultural	681, 929	+5.0	+29.5
Applications (new and renewed)	1, 266, 694	+4.5	−14.9

[1] Excludes Rhode Island, because data not reported, and Montana, New York, and Pennsylvania, which have no provisions for partial and part-total unemployment.

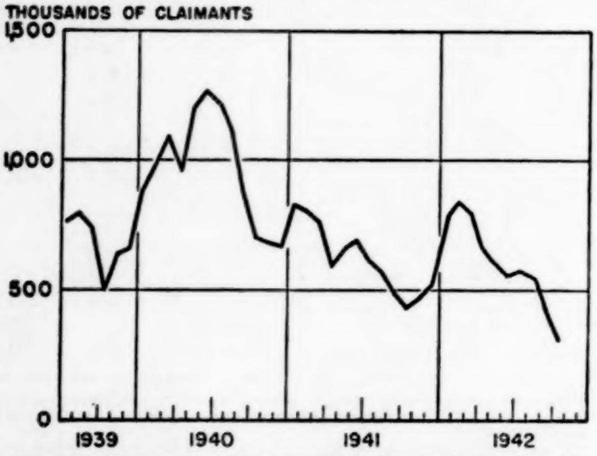
[2] Based on data for 44 States reporting this type of payment during both periods.

Chart 2.—*Number of waiting-period and compensable continued claims received, for weeks ended in January 1940–October 1942* [1]

[1] Comparable data not available prior to January 1940.

month, one-fourth fewer than in September and less than half the number in July when the present decline began. Except for 9 States where the estimated number of recipients remained unchanged, every State reported a decline from September to October. In addition, 15 States reported fewer than 500 recipients during October and, in 9 of these, recipients numbered 200 or less. Of all individuals unemployed during October, as reported by the Bureau of the Census, approximately one-fifth were drawing unemployment

Chart 3.—*Average weekly number of claimants drawing benefits, by month, July 1939–October 1942* [1]



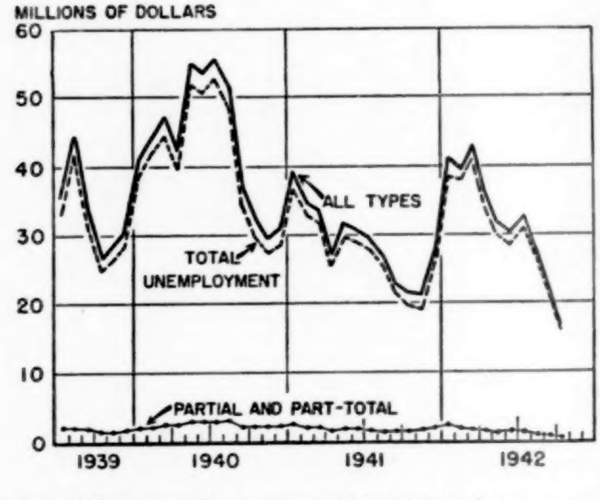
[1] Data for 1939 represent number of recipients during midweek of month.

benefits [1] as compared with one-fourth in the 2 preceding months.

Claims and payments.—Although initial claims continued to decline for the country as a whole, 14 States reported increases from September to October (table 2). Seasonal declines in some industries and the fact that an additional quarter of earnings became available in October for the computation of benefit rights account for the increases in most of these States. In most cases, however, the increases were less sharp than those which had occurred from September to October of either of the 2 preceding years, and in each of these States initial-claim receipts were substantially below the level of last October.

Receipts were approximately one-third or more below the total in October 1941 in every State except Alabama, Georgia, Illinois, and Virginia; in these 4 States the declines ranged from 23 to 30 percent. In 38 States, including all those in the North Central, Rocky Mountain, and Pacific Coast areas, receipts were less than half the total for last October. Moreover, the actual volume of receipts has declined to a negligible number in

Chart 4.—*Amount of unemployment benefits paid, by type of unemployment, by month, July 1939–October 1942*



several States. Less than 400 initial claims were received during October in 14 States, and less than 100 in 7 of them—Alaska, Hawaii, Idaho, Nevada, North Dakota, South Dakota, and Wyoming.

[1] Obtained by dividing the Bureau of the Census count of unemployment during the week of October 4–10 into the average weekly number of benefit recipients during the month.

Declines from September in continued claims and in benefit payments were sharp in most of the States. Furthermore, only 6 States—Alabama, Georgia, Illinois, Missouri, New York, and Rhode Island—reported greater disbursements this October than in October 1941. Only in

Table 2.—*Initial and continued claims received in local offices, by State, October and January–October 1942*

[Data reported by State agencies, corrected to Nov. 24, 1942]

Social Security Board region and State	Initial claims							Continued claims						
	October 1942					Jan.-Oct. 1942		October 1942					Jan.-Oct. 1942	
	Number	Percentage change from—		New [1]	Additional [1]	Number	Percentage change from Jan.-Oct. 1941	Number	Percentage change from—		Waiting-period	Compensable	Number	Percentage change from Jan.-Oct. 1941
		Sept. 1942	Oct. 1941						Sept. 1942	Oct. 1941				
Total	270,231	−7.3	−56.4			5,808,231	−16.2	1,515,542	−23.9	−40.7	166,661	1,348,881	31,459,699	−12.8
Region I:														
Connecticut	3,312	−32.8	−65.7	1,836	1,476	82,155	−1.7	12,727	−47.8	−54.1	1,385	11,342	309,247	+6.0
Maine	829	−22.2	−79.0	616	213	30,789	−36.0	6,290	−23.5	−60.1	578	5,712	146,034	−32.0
Massachusetts	9,872	−27.4	−69.4	4,183	5,689	243,452	−28.1	45,285	−45.9	−66.4	3,120	42,165	1,233,257	−33.7
New Hampshire	935	−34.4	−63.4	487	448	22,406	−3.9	4,827	−30.9	−60.7	593	4,234	101,447	−29.7
Rhode Island	3,384	−31.0	−50.3	1,966	1,418	84,042	−1.0	22,370	−24.0	−20.2	1,957	20,413	421,669	+15.3
Vermont	352	+28.0	−46.1	250	102	7,273	−27.3	1,647	−7.9	−30.3	303	1,344	39,490	−32.9
Region II:														
New York	80,819	−4.9	−34.4	27,335	53,484	1,330,988	−6.4	479,324	−16.5	+18.8	46,645	432,679	5,458,904	−16.2
Region III:														
Delaware	253	+15.0	−79.6	183	70	12,033	−21.3	1,356	−31.3	−70.8	70	1,286	60,138	−12.0
New Jersey	16,603	−3.1	−59.2	10,026	6,577	308,101	−8.3	81,026	−20.8	−45.7	10,006	71,020	1,503,357	+2.7
Pennsylvania	8,219	−12.6	−68.9	[1] 8,219	(1)	219,967	−41.6	81,204	−14.7	−57.6	13,061	68,143	1,748,455	−41.9
Region IV:														
Dist. of Columbia	386	−19.2	−78.2	338	48	11,139	−43.8	4,394	−31.2	−65.0	332	4,062	95,318	−47.7
Maryland	1,125	−10.6	−80.5	1,114	11	54,221	−30.7	12,181	−29.4	−64.2	727	11,454	345,289	−29.9
North Carolina	2,593	−30.7	−73.4	1,939	654	85,863.	−23.4	24,752	−23.3	−54.3	2,891	21,861	471,391	−24.1
Virginia	2,334	+25.8	−23.2	1,907	427	41,715	−31.6	13,331	−25.6	−47.9	726	12,605	313,125	−24.6
West Virginia	2,684	+59.1	−44.6	1,526	1,158	48,228	−63.3	17,181	+39.1	−15.0	1,166	16,015	250,999	−46.4
Region V:														
Kentucky	3,643	+54.1	−49.6	[1] 3,643	(1)	60,115	−10.2	19,451	−8.2	+2.8	1,591	17,860	305,170	+31.7
Michigan	13,603	+26.5	−60.0	7,851	5,752	389,393	−1.9	55,869	−31.4	−50.6	4,509	51,360	2,549,153	+91.7
Ohio	6,470	−3.2	−77.5	[1] 6,470	(1)	181,046	−27.7	50,182	−30.2	−49.2	7,506	42,676	1,432,255	−5.3
Region VI:														
Illinois	34,864	−14.8	−30.4	13,253	21,611	685,025	+7.6	157,432	−30.5	+1.4	9,967	147,465	2,818,984	+20.9
Indiana	4,076	−.8	−68.0	[1] 4,076	(1)	109,682	+18.9	25,466	−21.5	−56.2	2,469	22,997	836,737	+39.9
Wisconsin	[2] 2,120	−14.1	−74.4	(3)	(3)	[2] 66,085	−18.5	11,802	−33.5	−55.9	2,334	9,468	428,618	+19.3
Region VII:														
Alabama	4,735	+5.1	−29.5	3,099	1,636	65,011	−18.4	31,574	−25.1	−21.0	6,047	25,527	427,485	−22.3
Florida	5,293	+38.8	−37.3	[1] 5,293	(1)	78,929	−23.0	35,036	−13.3	−49.8	3,408	31,628	529,060	−22.8
Georgia	5,457	−6.8	−22.7	3,167	2,290	69,127	−8.7	32,492	−19.8	−32.8	6,240	26,252	578,392	+17.4
Mississippi	923	−26.0	−79.3	648	275	40,638	−15.9	5,425	−35.6	−69.8	576	4,849	231,677	−7.1
South Carolina	3,309	+3.7	−49.8	2,085	1,224	52,224	−9.3	14,220	−17.2	−51.7	1,805	12,415	281,196	+3.3
Tennessee	4,347	−2.2	−54.4	3,264	1,083	84,144	−2.0	35,347	−27.0	−41.8	3,683	31,664	681,574	+6.0
Region VIII:														
Iowa	1,668	+1.7	−56.2	1,145	523	51,270	−16.8	6,480	−20.5	−56.6	1,447	5,033	279,898	−27.0
Minnesota	2,556	−11.5	−71.8	1,224	1,332	91,972	−21.9	12,928	−28.4	−61.7	1,679	11,249	568,917	−23.5
Nebraska	475	−23.8	−79.3	329	146	20,167	−24.1	2,302	−25.3	−72.8	260	2,042	123,704	−24.1
North Dakota	93	+9.4	−80.3	56	37	6,467	−29.4	349	−38.2	−78.4	19	330	46,869	−27.4
South Dakota	63	+23.5	−84.7	41	22	4,782	−32.1	353	−3.6	−82.4	44	309	32,422	−41.5
Region IX:														
Arkansas	842	−27.9	−69.7	[1] 842	(1)	33,009	−44.9	7,236	−47.9	−60.6	433	6,803	193,590	−51.9
Kansas	1,077	−27.9	−79.0	866	211	37,493	−16.4	6,067	−37.7	−69.9	656	5,411	226,186	−10.6
Missouri	10,514	−10.9	−32.9	7,035	3,479	130,723	+3.4	55,819	−8.6	−17.8	11,842	43,977	884,315	+16.3
Oklahoma	2,267	+27.1	−55.0	1,649	618	51,984	−21.5	10,250	−36.8	−56.6	733	9,517	337,323	−6.3
Region X:														
Louisiana	4,963	−10.5	−62.4	3,975	988	99,422	−19.1	29,135	−27.5	−64.9	4,187	24,948	646,300	−23.1
New Mexico	170	−22.0	−80.9	144	26	9,449	−18.8	986	−24.9	−80.7	34	952	68,634	−33.1
Texas	3,829	−23.6	−76.1	(3)	(3)	131,081	−34.9	24,022	−25.3	−66.5	2,006	22,016	721,630	−32.2
Region XI:														
Arizona	602	−5.8	−72.7	560	42	14,484	−25.7	3,000	+10.0	−61.9	108	2,892	68,633	−29.6
Colorado	578	−14.2	−75.0	446	132	19,714	−37.8	2,518	−28.4	−77.6	370	2,148	108,469	−51.4
Idaho	49	(4)	(4)	40	9	13,281	−38.8	416	−63.8	−89.5	29	387	90,103	−41.1
Montana	151	−13.7	−90.1	89	62	12,570	−42.9	743	−46.0	−87.7	98	645	94,705	−43.4
Utah	275	−6.5	−83.5	231	44	12,274	−39.8	988	−32.9	−90.3	54	934	73,881	−32.3
Wyoming	53	−22.1	−91.2	42	11	5,836	−51.6	250	−40.8	−81.6	19	231	29,498	−43.5
Region XII:														
California	16,346	−12.2	−72.9	7,551	8,795	486,166	−20.3	65,267	−40.1	−75.4	8,486	56,781	2,755,699	−25.5
Nevada	86	−43.8	−87.7	71	15	3,973	−47.6	624	+8.9	−78.3	13	611	24,823	−57.2
Oregon	269	−10.3	−94.0	167	102	35,862	−36.7	1,260	−13.6	−89.9	81	1,179	179,612	−42.7
Washington	686	+9.2	−94.7	427	259	69,302	−54.8	1,937	−29.6	−92.3	305	1,632	285,336	−49.5
Territories:														
Alaska	25	(4)	(4)	8	17	561	−66.9	265	−34.9	−23.0	42	223	3,395	−61.0
Hawaii	54	−44.3	−92.8	41	13	2,598	−44.4	156	−64.6	−95.7	21	135	17,336	−41.9

[1] All initial claims reported as new claims in Arkansas, Florida, Indiana, Kentucky, Ohio, and Pennsylvania. In some cases State procedures do not provide for filing additional claims.

[2] Excludes all claims for partial unemployment.

[3] Breakdown by type of claim not available. In Wisconsin this is due to provisions of State law which are not comparable with other States.

[4] Not computed, because fewer than 50 initial claims were reported in 1 or both periods.

Illinois and New York, however, was the volume of compensated unemployment greater than last October. Although benefit payments have declined in these 2 States in the past few months, war dislocations have kept them at a higher level than a year ago. Most of the other States had

Table 3.—*Number of benefit recipients, number of weeks compensated, and amount of benefits paid, by State, October 1942*

[Data reported by State agencies, corrected to Nov. 20, 1942]

Social Security Board region and State	Benefit recipients		Weeks compensated for—					Benefits paid [1]				
	Average weekly number	Estimated number of different individuals during month	All unemployment			Total unemployment		Amount [2]	Percentage change from September 1942	Type of unemployment		
			Number	Percentage change from—		Number	Percent of all weeks			Total	Part-total [3]	Partial [3]
				September 1942	October 1941							
Total	310,431	400,900	1,354,130	−24.8	−32.0	1,254,838	92.[illegible]	[illegible]16,895,558	−24.6	$16,093,584	[4] $286,679	[4] $484,732
Region I:												
Connecticut	2,637	3,600	11,467	−41.4	−41.4	9,674	84.[illegible]	144,442	−41.3	130,764	80	13,465
Maine	1,340	1,800	5,618	−25.8	−53.9	4,[illegible]17	73.3	52,443	−26.5	41,452	1,160	9,831
Massachusetts	9,951	13,200	47,034	−37.1	−60.2	42,141	89.6	522,229	−36.3	494,500	2,956	24,059
New Hampshire	992	1,300	4,178	−30.4	−52.8	3,554	85.1	37,976	−29.7	34,787	91	3,098
Rhode Island	4,579	6,200	20,102	−24.3	−17.8	18,411	91.6	267,439	−22.9	255,087	(4)	(4)
Vermont	276	400	1,204	−16.0	−29.3	1,140	94.7	11,424	−18.7	11,065	114	225
Region II:												
New York	105,903	126,500	459,231	−12.9	+44.1	459,231	100.0	6,146,824	−12.1	6,146,824	(3)	(3)
Region III:												
Delaware	283	400	1,224	−35.8	−70.7	864	70.6	10,476	−36.5	8,509	374	1,591
New Jersey	15,814	22,400	69,559	−26.5	−40.0	60,136	86.5	906,396	−26.4	832,767	2,025	70,474
Pennsylvania	13,893	19,000	59,085	−25.3	−52.6	59,085	100.0	754,660	−24.7	754,660	(3)	(3)
Region IV:												
Dist. of Col.	954	1,200	4,177	−28.8	−60.4	3,993	95.6	55,735	−28.3	53,422	1,754	347
Maryland	2,498	3,400	11,895	−28.7	−60.3	8,750	73.6	144,372	−29.6	121,157	367	22,776
North Carolina	5,054	7,000	24,655	−11.5	−46.2	23,332	94.6	180,683	−7.7	175,430	1,379	3,768
Virginia	2,896	3,800	12,464	−30.7	−38.0	11,562	92.8	120,189	−32.1	115,133	2,021	2,996
West Virginia	2,734	4,000	11,569	−25.3	−39.3	9,289	80.3	125,548	−27.4	97,563	0	27,985
Region V:												
Kentucky	2,956	4,100	13,339	−17.6	−36.0	11,917	89.3	113,040	−19.4	106,005	5,228	1,478
Michigan	12,235	16,700	54,356	−35.5	−47.3	52,185	96.0	889,883	−36.9	866,761	14,005	9,117
Ohio	10,569	13,100	41,312	−33.6	−36.7	37,118	89.8	472,906	−34.7	445,025	9,727	18,086
Region VI:												
Illinois	37,166	47,600	160,736	−32.4	+11.2	129,642	80.7	2,110,444	−32.7	1,846,817	89,068	162,784
Indiana	4,428	6,100	20,399	−22.3	−55.1	17,868	87.6	242,216	−22.8	224,939	7,126	10,072
Wisconsin	1,906	2,600	8,240	−40.5	−50.8	6,770	82.2	100,818	−41.9	87,553	5,193	8,072
Region VII:												
Alabama	5,644	7,400	25,009	−25.4	−13.2	23,386	93.5	248,841	−25.5	234,467	13,708	551
Florida	6,762	9,600	31,179	−8.4	−49.5	28,894	92.7	318,593	−6.5	302,728	12,036	3,829
Georgia	6,023	7,900	26,974	−16.1	−17.3	26,050	96.6	261,465	−13.8	255,038	4,460	1,939
Mississippi	1,001	1,400	4,387	−32.3	−67.0	3,933	89.7	40,473	−26.9	37,859	730	1,884
South Carolina	2,020	2,700	8,900	−23.3	−57.3	8,389	94.3	77,695	−19.6	74,910	1,833	952
Tennessee	7,010	9,500	31,350	−23.8	−27.8	29,904	95.4	295,474	−24.2	285,751	6,920	2,803
Region VIII:												
Iowa	1,038	1,500	4,345	−29.5	−55.8	3,962	91.2	42,910	−26.0	40,599	1,718	491
Minnesota	2,260	3,200	9,415	−39.0	−62.2	7,855	83.4	110,891	−39.4	98,351	7,960	4,580
Nebraska	319	400	1,344	−38.3	−78.0	1,227	91.3	12,906	−42.3	12,075	380	446
North Dakota	65	100	278	−35.5	−76.8	259	93.2	2,562	−31.1	2,436	77	49
South Dakota	64	100	267	−30.3	−81.5	251	94.0	2,530	−26.5	2,418	56	56
Region IX:												
Arkansas	1,299	1,800	5,463	−53.4	−61.3	5,207	95.3	45,404	−52.0	43,576	1,366	462
Kansas	939	1,400	4,217	−20.5	−71.3	3,900	92.5	43,816	−20.7	41,378	1,865	573
Missouri	8,819	12,600	37,959	−20.1	−18.6	33,475	88.2	446,464	−18.2	420,599	5,625	19,982
Oklahoma	1,434	2,000	6,350	−42.5	−60.4	5,680	89.4	76,701	−41.2	70,890	5,478	333
Region X:												
Louisiana	5,612	7,600	25,160	−23.0	−58.6	23,676	94.1	273,745	−19.1	262,216	2,943	8,170
New Mexico	123	200	491	−50.5	−87.5	459	93.5	4,571	−52.7	4,328	206	37
Texas	3,622	5,100	16,022	−29.4	−62.8	14,756	92.1	136,575	−28.5	109,624	26,860	39
Region XI:												
Arizona	209	400	937	−21.5	−84.1	908	96.9	11,207	−17.2	10,958	249	0
Colorado	319	400	1,412	−34.4	−82.5	1,303	92.3	14,937	−31.5	13,847	521	282
Idaho	72	100	358	−60.5	−88.0	321	89.7	3,175	−57.9	2,956	219	0
Montana	169	200	729	−47.1	−87.9	729	100.0	6,939	−45.3	6,939	(3)	(3)
Utah	287	400	1,214	−23.2	−88.8	1,126	92.8	17,533	−21.7	16,542	827	164
Wyoming	35	100	152	−46.3	−86.0	136	89.5	1,668	−45.3	1,524	134	10
Region XII:												
California	15,270	19,000	64,268	−40.5	−70.3	54,987	85.6	938,526	−40.1	849,342	45,370	42,069
Nevada	53	100	265	−34.7	−88.5	245	92.5	3,382	−36.7	3,189	173	20
Oregon	443	600	1,600	−34.1	−75.8	1,289	80.6	19,472	−35.3	16,787	886	1,332
Washington	338	500	1,692	−22.2	−88.7	1,262	74.6	19,605	−16.3	15,184	1,100	3,321
Territories:												
Alaska	43	100	213	+13.3	−71.1	197	92.5	2,711	+9.9	2,560	151	0
Hawaii	75	100	336	−44.7	−87.2	293	87.2	4,644	−29.9	4,293	160	134

[1] Not adjusted for voided benefit checks.

[2] Includes supplemental payments, not classified by type of unemployment.

[3] Benefits for partial and part-total unemployment are not provided by State law in Montana, New York, and Pennsylvania.

[4] Excludes Rhode Island; data not reported.

sharp declines in payments from October 1941, amounting to more than 40 percent in 36 States and to more than 80 percent in each of the Rocky Mountain States, as well as in Nevada and Washington.

A larger segment of the national b[illegible]efit outlay than in the past has thus come to be c[illegible]centrated in a few large industrial States. Illin[illegible] and New York alone accounted for approxim[illegible]ly half of October disbursements as compare[illegible] with only one-fourth of all disbursements in [illegible]ctober 1941 (table 3). These States, together wit[illegible] California, Michigan, New Jersey, and Penn[illegible]ylvania, accounted for 70 percent of the nationa[illegible] benefit outlay, as against 58 percent last Octo[illegible]er. In contrast, one-third of the States toge[illegible]er accounted for less than 1 percent of October [illegible]sbursements.

Weeks of partial, as well as t[illegible], unemployment for which benefit payments [illegible]e issued continued to decline sharply in most of the State during October. The 67,100 weeks of partial unemployment compensated during the month in the 47 States reporting such data[2] were 30 percent below the all-time low recorded for September, with all but 8 of the States reporting declines. Compensated partial unemployment is now negligible or nonexistent in the majority of the States. However, partial unemployment accounted for 8.2 percent of all weeks compensated—approximately the same proportion as in the 2 preceding months. On the other hand, although the number of weeks of compensated partial unemployment constituted only a slightly smaller proportion of the total than in October 1941,[3] they were half the number in that month. While in the 47 States together partial unemployment constituted 8.2 percent of

[2] Excludes Montana, New York, Pennsylvania, Rhode Island.

[3] Based on 44 States reporting this type of payment during both periods.

Table 4.—*Collections deposited in Stat[illegible] learing accounts, January–October 1942, and funds available for benefits as of October 31, 1942, by State*

[Da[illegible] reported by State agencies, corrected to Nov. 20, 1942]

Social Security Board region and State	Collections deposited[1] January–October 1942: Amount	Collections deposited[1] January–October 1942: Percentage change from January–October 1941	Funds available for benefits[2] as of Oct. 31, 1942
Total	$973, 916, 396	[3] +10.4	$3, 226, 785, 657
Region I:			
Connecticut	25, 387, 723	+19.2	87, 988, 298
Maine	7, 163, 817	+51.5	13, 896, 475
Massachusetts	31, 416, 528	−15.7	131, 500, 505
New Hampshire	4, 321, 332	+53.5	11, 916, 824
Rhode Island	12, 992, 797	+13.9	30, 871, 546
Vermont	1, 755, 285	+8.8	6, 143, 289
Region II:			
New York	140, 054, 090	+9.2	376, 993, 806
Region III:			
Delaware	1, 559, 532	−38.8	10, 686, 897
New Jersey	56, 640, 429	+9.8	224, 908, 889
Pennsylvania	94, 697, 921	+27.3	295, 591, 073
Region IV:			
District of Columbia	7, 271, 791	+30.0	31, 336, 492
Maryland	22, 051, 987	+40.2	52, 813, 137
North Carolina	17, 721, 803	(4)	49, 353, 427
Virginia	9, 554, 007	+15.7	34, 435, 028
West Virginia	9, 243, 795	+.9	35, 832, 363
Region V:			
Kentucky	10, 666, 530	+.1	50, 108, 942
Michigan	55, 421, 070	−15.7	142, 441, 845
Ohio	43, 735, 821	−30.4	261, 548, 620
Region VI:			
Illinois	85, 160, 124	+24.6	302, 089, 981
Indiana	27, 550, 590	+6.4	85, 876, 723
Wisconsin	12, 534, 141	+29.2	79, 099, 834
Region VII:			
Alabama	11, 066, 072	+20.6	34, 380, 650
Florida	7, 838, 571	+13.9	18, 878, 006
Georgia	9, 615, 378	+9.5	37, 651, 305
Mississippi	4, 722, 467	+37.6	9, 270, 188
South Carolina	5, 308, 285	−.9	20, 341, 905
Tennessee	12, 511, 847	+32.2	28, 524, 193
Region VIII:			
Iowa	6, 929, 315	−.2	28, 686, 529
Minnesota	10, 137, 728	+16.2	33, 832, 530
Nebraska	2, 323, 071	+20.2	11, 899, 260
North Dakota	675, 155	(4)	2, 792, 362
South Dakota	613, 251	−12.9	4, 150, 778
Region IX:			
Arkansas	5, 189, 331	+62.9	12, 841, 072
Kansas	6, 209, 416	+53.2	21, 982, 818
Missouri	18, 263, 314	−17.2	90, 187, 877
Oklahoma	5, 506, 422	−3.6	24, 560, 476
Region X:			
Louisiana	12, 439, 069	+27.2	28, 931, 196
New Mexico	1, 487, 758	+2.2	4, 421, 192
Texas	15, 357, 744	(4)	79, 061, 953
Region XI:			
Arizona	2, 822, 183	+26.8	7, 293, 054
Colorado	4, 772, 212	+4.6	17, 441, 363
Idaho	2, 198, 633	+19.0	5, 005, 465
Montana	2, 991, 760	+14.0	7, 874, 618
Utah	4, 416, 152	+45.3	9, 282, 365
Wyoming	1, 174, 306	+2.5	3, 699, 211
Region XII:			
California	103, 944, 448	+21.3	273, 027, 386
Nevada	2, 066, 182	+116.4	3, 333, 797
Oregon	10, 024, 452	+30.8	25, 150, 863
Washington	23, 079, 958	+68.1	52, 809, 058
Territories:			
Alaska	994, 643	+59.9	2, 726, 006
Hawaii	2, 336, 160	+28.2	11, 294, 187

[1] Represents contributions from employers, plus such penalties and interest as are available for benefits, and contributions from employees. Adjusted for refunds of contributions and for dishonored contribution checks. Current contribution rates, stated as percent of taxable wages are as follows: For employers, 2.7 percent in all States except Michigan, where rate is 3.0 percent; for employees, 0.5 percent in Rhode Island, and 1.0 percent in Alabama, California, and New Jersey. 34 States have adopted experience rating which modifies above rates. All States collect contributions either wholly or in part on quarterly basis.

[2] Represents sum of balances at end of month in State clearing account and benefit-payment account, and in State unemployment trust fund account maintained in the U. S. Treasury. State unemployment trust fund accounts reflect transfers to railroad unemployment insurance account.

[3] Based on data for 48 States. See footnote 4.

[4] Not computed, because contributions for the 2 periods compared relate to wages paid during different numbers of months.

all weeks compensated, the proportion was 28 percent in Delaware, approximately 25 percent in Maine and Maryland, and 20 percent in West Virginia. In Delaware and Maryland this relatively high proportion was primarily due to part-time employment in the apparel industry, while in West Virginia it was attributable to partial unemployment among bituminous-coal miners.

For the third successive month the number of claimants receiving the first payment in their benefit year sank to a new low, a reflection of the sharp reduction in the initial-claim load in recent months. First payments dropped one-fourth below the September total to only 87,500 and were less than half the number in October 1941; every State shared in the decline from last year. Although first payments usually decline from September to October, the drop this year was considerably sharper than in 1940 and 1941.

As in the past 2 years, the number of persons exhausting their rights to further payments in their benefit year declined from September to October. The 52,700 persons who exhausted their benefit rights were 12 percent fewer than the record low number in September and only about half the number in October 1941. Most of the States shared in the September–October decline, and the drop for the Nation as a whole would have been much sharper if New York were excluded from the totals. In the past few years, exhaustions declined somewhat from September to October in New York. This year, however, the change from April to June in the beginning date of the new benefit year resulted in a sudden increase from no exhaustions in September to 9,900 in October, as many claimants who began their benefit years in June depleted their benefit rights.

Status of funds.—Collections of $143 million deposited in State clearing accounts during October boosted collections for the first 10 months of 1942 to $974 million (table 4). This amount was 10 percent greater than that deposited during the corresponding months of 1941.[4] All but 9 of the States had increases over last year, but in each of these 9, except South Dakota, experience-rating tax reductions became effective in 1942. In South Dakota, experience rating went into effect in 1940 and the average tax rate declined from 1941 to 1942.

[4] Based on data for 48 States; excludes North Carolina, North Dakota, Texas.

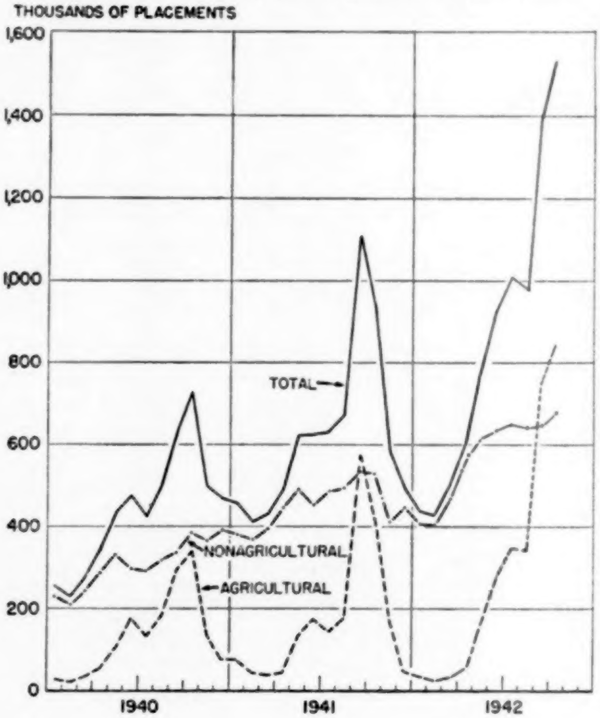
Funds available at the end of October for future benefit payments aggregated $3.2 billion, 4 percent more than at the close of the preceding month and 33 percent more than the balance on October 31, 1941.

Placement Activities

Increases in both agricultural and nonagricultural placements pushed the number of jobs filled by the USES to a new high of 1.5 million in October (table 5). This figure, 10 percent greater than that for September, was the highest for any month since 1933, when placements on public work projects served to swell the totals. Agricultural placements rose 14 percent above the record September figure to 849,000, as harvesting activity continued at a high level in many States and reached its peak in others. At the same time, nonagricultural placements increased by 5 percent to 682,000, the highest monthly number since 1935. These records are being established at a time when in many areas labor shortages, especially of male labor, have developed or are threatened.

During the first 10 months of 1942 the USES filled 15 percent more jobs than during the entire year 1941. The 8.6 million jobs filled during

Chart 5.—*Placements of men and women by public employment offices, January 1940–October 1942*



January–October 1942 were 35 percent more numerous than those filled in the same months last year and more than double the total for the first 10 months of 1940. As a result of the vastly expanded farm placement work of the USES, agricultural placements during the first 10 months of 1942 aggregated 2.9 million, 60 percent more than in the corresponding months of last year.

Table 5.—*Summary of nonagricultural and agricultural placements, by State, October and January–October 1942*

[Corrected to Nov. 27, 1942]

Social Security Board region and State	Total					Nonagricultural					Agricultural					
	October 1942			Jan.–Oct. 1942		October 1942			Jan.–Oct. 1942		October 1942			Jan.–Oct. 1942		
	Number	Percentage change from— Sept. 1942	Percentage change from— Oct. 1941	Number	Percentage change from Jan.–Oct. 1941	Number	Percentage change from— Sept. 1942	Percentage change from— Oct. 1941	Number	Percentage change from Jan.–Oct. 1941	Number	Percentage change from— Sept. 1942	Percentage change from— Oct. 1941	Number	Percentage change from Jan.–Oct. 1941	Percent of all placements
Total	1,530,522	+9.5	+63.8	8,607,112	+35.0	681,929	+5.0	+29.5	5,715,585	+25.1	848,593	+13.5	+108.0	2,891,527	+60.1	33.6
Region I:																
Connecticut	10,825	−2.7	+18.9	100,136	+14.8	9,328	+5.5	+6.4	91,149	+9.8	1,497	−34.5	+344.2	8,967	+112.9	9.0
Maine	5,722	−31.1	+12.4	55,057	+38.6	4,700	+11.2	−4.1	45,496	+20.9	1,022	−74.9	+440.7	9,561	+356.8	17.4
Massachusetts	22,725	+28.7	+143.2	128,725	+44.2	19,445	+29.6	+110.7	120,777	+37.9	3,280	+23.1	(1)	7,948	+366.2	6.2
New Hampshire	2,268	−7.9	−3.3	20,421	−12.5	1,554	+3.9	−30.8	18,033	−19.7	714	−26.1	+621.2	2,388	+165.6	11.7
Rhode Island	7,165	+37.3	+253.8	36,416	+74.8	7,131	+36.8	+256.2	36,203	+75.4	34	(2)	(2)	213	+12.1	.6
Vermont	1,063	−56.4	−29.7	9,935	−21.4	689	+28.1	−42.9	6,695	−39.1	374	−80.3	+21.8	3,240	+97.2	32.6
Region II:																
New York	84,565	−5.8	+49.8	677,178	+39.2	77,973	+5.0	+43.4	626,973	+34.1	6,592	−57.4	+218.3	50,205	+163.6	7.4
Region III:																
Delaware	1,913	+7.4	+23.7	16,315	+2.9	1,883	+42.8	+22.0	15,085	−2.5	30	(2)	(2)	1,230	+221.1	7.5
New Jersey	18,295	+.3	+3.6	175,550	+11.1	15,215	+10.9	−12.2	150,971	−2.2	3,080	−32.1	+844.8	24,588	+575.3	14.0
Pennsylvania	33,827	+.1	+29.1	283,361	+34.9	30,109	+2.7	+18.4	268,186	+30.2	3,718	−16.8	+376.7	15,175	+278.8	5.4
Region IV:																
District of Columbia	3,906	−7.3	−34.4	54,143	+1.5	3,900	−7.3	−33.9	54,006	+1.6	6	(2)	(2)	137	−25.5	.3
Maryland	13,584	−7.4	+119.6	111,586	+66.7	10,431	+16.1	+80.6	81,109	+42.0	3,153	−44.6	+663.4	30,477	+210.2	27.3
North Carolina	22,385	−7.8	+11.6	225,933	+.7	14,023	−1.7	+4.6	168,445	−7.9	8,362	−16.6	+25.7	57,488	+38.7	25.4
Virginia	9,427	−10.1	−11.4	88,239	−22.4	8,486	−12.1	−19.0	83,194	−24.0	941	+13.8	+495.6	5,045	+18.7	5.7
West Virginia	4,968	+12.8	−7.1	39,039	−9.1	4,774	+20.7	−1.9	37,633	−9.0	194	−56.8	−59.6	1,406	−10.2	3.6
Region V:																
Kentucky	8,427	−3.6	+95.6	95,267	+132.4	7,634	−6.3	+82.7	79,094	+101.6	793	+32.6	+510.0	16,173	+817.4	17.0
Michigan	29,930	+16.6	+80.8	204,805	+38.7	20,980	+10.7	+34.9	167,173	+20.0	8,950	+33.1	+786.1	37,632	+351.3	18.4
Ohio	47,918	−1.4	+65.3	364,100	+45.8	43,943	−.7	+62.7	341,751	+41.6	3,975	−7.9	+100.1	22,349	+166.3	6.1
Region VI:																
Illinois	19,494	−9.2	−19.3	243,535	+8.0	17,707	−6.6	−24.4	212,814	−.3	1,787	−28.9	+139.9	30,721	+157.5	12.6
Indiana	16,626	−22.2	+18.8	148,123	+4.3	16,214	−19.4	+19.9	141,564	+1.4	412	−67.2	−12.9	6,559	+163.8	4.4
Wisconsin	15,210	−7.7	+42.8	135,008	+31.5	12,168	−16.4	+20.0	121,788	+25.1	3,042	+58.3	+493.0	13,220	+146.7	9.8
Region VII:																
Alabama	10,047	+70.7	+51.0	73,119	+23.7	9,044	+128.3	+49.3	63,023	+25.9	1,003	−47.9	+68.6	10,096	+11.4	13.8
Florida	8,205	−13.5	+10.0	89,306	+41.7	7,831	−9.3	+5.7	82,834	+35.1	374	−56.2	(2)	6,472	+284.3	7.2
Georgia	11,635	+15.3	−13.3	85,363	−18.6	8,122	+9.9	−38.2	76,010	−22.1	3,513	+30.3	(1)	9,353	+28.1	11.0
Mississippi	203,835	+36.9	(1)	429,095	+581.0	7,365	−33.2	+21.5	83,978	+48.6	196,470	+42.6	(1)	345,117	(1)	80.4
South Carolina	9,544	+55.0	+28.6	64,266	−17.4	5,685	+9.1	−22.1	57,439	−23.6	3,859	+308.4	(1)	6,827	+160.4	10.6
Tennessee	167,102	+49.7	−5.1	373,930	−22.3	7,939	−5.5	−28.4	73,443	−14.5	159,163	+54.2	−3.5	300,487	−24.0	80.4
Region VIII:																
Iowa	9,429	−3.0	−16.5	88,117	−.4	7,303	−7.1	−28.8	68,313	−13.1	2,126	+14.3	+106.0	19,804	+101.0	22.5
Minnesota	19,112	+9.9	+79.0	121,033	+44.2	14,304	+28.9	+63.5	85,232	+30.1	4,808	−23.5	+149.1	35,801	+94.3	29.6
Nebraska	13,491	+70.2	+171.0	91,751	+144.4	11,882	+60.6	+185.5	65,725	+100.0	1,609	+205.3	+96.9	26,026	+454.5	28.4
North Dakota	9,218	−7.3	+29.2	49,303	+6.9	1,379	−8.6	−43.9	15,476	−19.8	7,839	−7.1	+67.7	33,827	+26.3	68.6
South Dakota	4,809	−28.4	−4.2	44,590	+69.4	2,130	−46.4	+14.6	26,413	+70.9	2,679	−2.3	−15.3	18,177	+67.2	40.8
Region IX:																
Arkansas [3]	58,392	−24.9	+144.1	446,136	+73.1	13,078	−32.9	+54.7	143,406	+199.4	45,314	−22.2	+192.9	302,730	+44.3	67.9
Kansas [4]	16,677	+6.6	-------	115,254	-------	14,957	+4.1	-------	103,034	-------	1,720	+34.5	-------	12,220	-------	10.6
Missouri [4]	74,684	+12.7	-------	339,979	-------	32,744	+3.5	-------	224,233	-------	41,940	+21.1	-------	115,746	-------	34.0
Oklahoma	21,801	+96.2	+44.3	107,000	+23.1	8,384	+10.6	+27.3	62,290	+23.7	13,417	+279.9	+57.5	44,710	+22.1	41.8
Region X:																
Louisiana	7,692	+19.5	−27.6	61,198	−33.1	4,966	+44.3	−34.4	53,228	−38.0	2,726	−8.9	−10.5	7,970	+42.1	13.0
New Mexico	4,585	+35.1	−67.0	35,649	−6.2	2,046	+17.9	+14.0	26,421	+79.0	2,539	+53.0	−79.0	9,228	−60.3	25.9
Texas	181,732	−11.3	+28.3	949,719	+16.6	41,302	+2.3	+7.8	409,732	+16.0	140,430	−14.6	+35.9	539,987	+17.1	56.9
Region XI:																
Arizona	20,802	+97.9	+90.7	80,833	+14.7	4,308	+8.9	+83.7	34,313	+31.2	16,494	+151.6	+92.6	46,520	+5.0	57.6
Colorado	14,028	−9.4	+37.1	101,989	+39.5	7,555	−9.0	+119.7	56,723	+65.3	6,473	−9.7	−4.8	45,266	+16.6	44.4
Idaho	28,940	+104.0	+152.0	115,867	+75.7	13,148	+84.3	+402.6	46,813	+115.9	15,792	+123.9	+78.1	69,054	+56.0	59.6
Montana	10,408	+41.5	+152.7	51,259	+71.9	3,489	−4.0	+90.2	27,935	+53.7	6,919	+85.9	+202.8	23,324	+100.4	45.5
Utah	10,922	+1.3	+146.4	72,309	+165.6	5,947	−12.0	+82.3	42,557	+107.1	4,975	+23.6	+325.2	29,752	+346.1	41.1
Wyoming	3,188	+7.3	+73.7	25,687	+52.1	1,538	−31.3	+10.3	20,270	+36.2	1,650	+125.4	+275.0	5,417	+170.4	21.1
Region XII:																
California	162,463	+19.3	+154.6	851,542	+91.7	79,433	+11.9	+60.7	604,340	+63.7	83,030	+27.4	+477.3	247,202	+230.0	29.0
Nevada	2,811	−17.2	+43.9	29,659	+53.2	2,704	−14.3	+54.1	26,872	+65.9	107	−55.2	−46.2	2,787	−11.9	9.4
Oregon	25,336	−17.2	−9.2	197,327	−15.2	13,850	+31.6	−.3	102,049	+1.4	11,486	−42.8	−18.0	95,278	−27.8	48.3
Washington	36,829	−15.0	+85.8	284,020	+92.4	19,599	+22.3	+70.8	148,205	+53.0	17,230	−36.9	+106.5	135,815	+167.6	47.8
Territories:																
Alaska	818	−15.5	−14.0	7,799	−19.0	818	−15.3	−13.3	7,765	−18.9	0	(2)	(2)	34	(2)	.6
Hawaii	1,744	+22.6	+69.6	11,132	+11.0	792	−6.2	−22.5	9,374	−.4	952	+64.7	(2)	1,758	+183.1	15.8

[1] Increase of more than 1,000 percent.
[2] Not computed, because fewer than 50 placements were made in 1 or both periods.
[3] Excludes 135,505 agricultural placements made in cooperation with the USES in Tennessee during October 1942 and 216,033 made during January–October 1942, which were credited to Tennessee.
[4] Beginning Feb. 16, data for Kansas City, Kans., included with Kansas City, Mo.

Intensified efforts to register and place an ever greater number of workers in nonfarm jobs was also evident in the 5.7 million nonagricultural placements made during January–October 1942, 25 percent more than in the same months of 1941.

Farm placements.—The need for workers to pick the cotton crop in the Southeastern and South Central areas of the country dominated agricultural placement activity during October (table 6). Placements in cotton picking increased sharply for the second successive month and, as a result, comprised 71 percent of all farm jobs filled as compared with 62 percent in September. This rise was primarily attributable to increases of 58,700 and 56,000, respectively, in Mississippi and Tennessee farm placements. Large increases, ranging from 7,300 in Missouri to 17,800 in California, were also reported by Arizona, California, Idaho, Missouri, and Oklahoma. As in the past few months, farm placements were concentrated in a few States—the States in which a major crop is at a peak period of cultivation or harvest (table 5). Mississippi and Tennessee alone accounted for more than two-fifths of all agricultural placements during October, and virtually every placement in each of these States was for cotton-harvest work. These two States, together with California and Texas, accounted for more than two-thirds of all farm placements. While harvesting the cotton crop was also of primary importance in Texas during October, the vegetable and fruit crops were responsible for most of the farm placements in California.

Table 6.—*Agricultural placements, by type of activity, October and January–October 1942*

[Corrected to Nov. 27, 1942]

Type of activity	October 1942			January–October 1942		
	Number	Percentage change from—		Number	Percentage change from Jan.-Oct. 1941	Percentage distribution
		Sept. 1942	Oct. 1941			
Total	848, 593	+13. 5	+108. 0	2, 891, 527	+60. 1	100. 0
Agricultural and similar service establishments [1]	3, 354	+17. 6	([2])	47, 962	([2])	1. 7
Farming	845, 239	+13. 4	([2])	2, 843, 565	([2])	98. 3
Grain	15, 779	−18. 7	([2])	101, 381	([2])	3. 5
Cotton	605, 723	+30. 2	([2])	1, 281, 008	([2])	44. 3
Fruit and tree-nut	54, 223	−39. 3	([2])	420, 447	([2])	14. 5
Dairy	2, 585	+31. 0	([2])	18, 880	([2])	. 7
Livestock and poultry	1, 031	+42. 2	([2])	11, 116	([2])	. 4
General	17, 617	−6. 6	([2])	348, 182	([2])	12. 0
All other	148, 281	−. 8	([2])	662, 551	([2])	22. 9

[1] Includes establishments primarily engaged in performing, on a fee or contract basis, such agricultural services as custom milling, hay bailing, farm management, and animal-husbandry and horticultural services. Includes also business enterprises engaged in hunting and trapping or in the operation of game preserves.

[2] Data not comparable.

Although agricultural placements increased for the Nation as a whole from September to October, 27 States reported declines. In most of these States the declines were sharp and followed increases in 1 or both of the past 2 months. In several of the States reporting declines the actual number of placements involved was small. Moreover, only 9 States made fewer agricultural placements than in October 1941, while for the first 10 months of 1942 only 6 States reported fewer agricultural placements than for the corresponding period of 1941. In contrast, the number of farm jobs filled this October was more than 10 times the total for the same month of 1941 in Georgia, Massachusetts, Mississippi, and South Carolina, and was approximately 6 to 10 times the number in Kentucky, Maryland, Michigan, New Hampshire, New Jersey, Virginia, and Wisconsin.

Nonagricultural placements.—The September-October gain in nonagricultural placements was largely the result of an increase of 24,000 or 11 percent in the number of jobs filled in manufacturing, though each of the other industry divisions except construction also had increases (table 7). However, approximately one-fifth of all placements continued to be in service and trade, despite the fact that the USES has been focusing its attention on placing workers in war jobs and has steadily increased the number of such jobs filled.

Gains in the number of jobs filled were reported for each of the major occupational groups except the professional and managerial category. The distribution of placements among these groups remained substantially the same as in September, however, with 49 percent of all placements in unskilled occupations, and approximately 15 percent in semiskilled, 14 percent in skilled, and 13 percent in service occupations.

A majority of the States shared in the increase from September in nonagricultural placements (table 5). States with increases were scattered throughout the country but included all those in the New England and Middle Atlantic regions. The sharpest gains were reported by States such as Alabama, Idaho, and Nebraska, which are primarily agricultural but to which much war

Table 7.—*Nonagricultural placements, by industry division and by major occupational group, October 1942* [1]

[Corrected to Nov. 27, 1942]

Industry division	All occupations					Professional and managerial	Clerical and sales	Service	Skilled	Semi-skilled	Unskilled and other
	Total number	Percentage change from—		Women	Nonwhite						
		September 1942	October 1941								
Total	681, 111	+5.0	+29.6	208, 236	112, 345	5, 888	56, 615	86, 379	93, 927	101, 992	336, 310
Forestry and fishery	1, 294	+225.9	(2)	14	34	34	8	10	18	74	1, 150
Mining	6, 091	+53.1	(2)	113	259	39	102	64	2, 468	875	2, 543
Construction	161, 455	−7.0	(2)	2, 147	31, 818	399	3, 797	2, 029	39, 484	14, 836	100, 910
Manufacturing	299, 100	+10.0	(2)	112, 256	23, 004	2, 840	20, 347	6, 073	37, 223	67, 115	165, 502
Transportation, communication, and other public utilities	21, 356	+7.5	(2)	2, 103	4, 869	116	2, 199	642	877	1, 685	15, 837
Wholesale and retail trade	46, 099	+.1	(2)	17, 591	7, 282	205	12, 408	10, 967	1, 046	3, 966	17, 507
Finance, insurance, and real estate	3, 958	+22.0	(2)	1, 835	627	14	1, 582	1, 605	194	197	366
Service	79, 856	+1.0	(2)	53, 460	37, 179	967	6, 138	59, 734	2, 102	3, 749	7, 166
Government	61, 522	+22.9	(2)	18, 612	7, 251	1, 270	9, 949	5, 228	10, 489	9, 434	25, 152
Establishments not elsewhere classified	380	−19.7	(2)	105	22	4	85	27	26	61	177

[1] Excludes Alaska; data not reported.

[2] Data not comparable.

production or construction work has been allocated. Large increases were also reported by important centers of industrial activity such as California, Massachusetts, New York, Oregon, and Washington. These five States accounted for the major part of the net gain in nonfarm placements. The bulk of all nonfarm placements was likewise concentrated in a small group of industrial States, as has been the case in past months.

Although 22 States reported declines from September in nonagricultural placements, in many of them the drop was slight and followed marked increases in the previous month or two. Moreover, in a majority of these States nonagricultural placements were more numerous than in October 1941. In 8 States,[5] however, nonfarm placements have declined in each of the past 3 or 4 months, though in all but two—the District of Columbia and Illinois—nonfarm placements this October exceeded the total for the same month last year.

Approximately the same proportion of all nonagricultural placements went to women during October as in the preceding month, 31 percent, although the 208,200[6] jobs filled with women were 5.2 percent more numerous than in September (table 7). About half the States, however, reported increases over September in the proportion of nonfarm placements which went to women as well as in the number of women placed in nonfarm jobs. Although strictly comparable data are not available for October 1941, it is apparent that a somewhat smaller proportion of all nonagricultural placements went to women this October; the number of women placed in nonagricultural jobs, however, was approximately 10 percent greater. In service, two-thirds of all placements went to women—the same proportion as in September. In manufacturing and trade the proportion declined slightly, to about three-

[5] District of Columbia, Florida, Illinois, Kentucky, Mississippi, Nevada North Carolina, Wyoming.

[6] Excludes Alaska; data not reported.

Table 8.—*Total applications received in public employment offices, by State, October 1942*

[Corrected to Nov. 24, 1942]

Social Security Board region and State	Number	Social Security Board region and State	Number
Total	1, 266, 694	Region VII—Cont.	
Region I:		South Carolina	14, 350
Connecticut	20, 723	Tennessee	19, 556
Maine	11, 369	Region VIII:	
Massachusetts	57, 157	Iowa	12, 348
New Hampshire	3, 797	Minnesota	25, 381
Rhode Island	9, 964	Nebraska	10, 934
Vermont	1, 845	North Dakota	6, 544
Region II:		South Dakota	3, 825
New York	129, 534	Region IX:	
Region III:		Arkansas	19, 078
Delaware	2, 194	Kansas [1]	6, 832
New Jersey	44, 940	Missouri [1]	50, 636
Pennsylvania	89, 434	Oklahoma	17, 741
Region IV:		Region X:	
District of Columbia	6, 443	Louisiana	13, 737
Maryland	21, 763	New Mexico	2, 831
North Carolina	12, 979	Texas	68, 159
Virginia	15, 722	Region XI:	
West Virginia	12, 276	Arizona	7, 088
Region V:		Colorado	11, 689
Kentucky	17, 321	Idaho	4, 319
Michigan	55, 617	Montana	2, 306
Ohio	79, 903	Utah	4, 282
Region VI:		Wyoming	1, 460
Illinois	84, 183	Region XII:	
Indiana	52, 646	California	99, 728
Wisconsin	24, 310	Nevada	1, 381
Region VII:		Oregon	14, 597
Alabama	19, 114	Washington	14, 889
Florida	21, 599	Territories:	
Georgia	20, 467	Alaska	1, 269
Mississippi	14, 421	Hawaii	1, 953

[1] Data for Kansas City, Kans., included with Kansas City, Mo.

eighths. As in September, more than half of nonfarm placements of women were in manufacturing and one-fourth in service.

Placements of nonwhite workers in nonagricultural jobs during October totaled 112,300,[2] almost 17 percent of all nonfarm placements. These figures represented slight declines from September in both number and proportion, and the majority of the States shared in the declines. Moreover, nonwhite agricultural placements were somewhat fewer than the estimated total for October 1941 and constituted a markedly smaller proportion of total nonagricultural placements. Approximately half of all service placements continued to be of nonwhite workers, while in construction the proportion remained at about 20 percent and in manufacturing at about 8 percent. One-third of all nonwhite placements were in service, a slight increase over September.

As in the past few years, work applications filed with the Employment Service increased from September to October, rising 4.5 percent to a total of 1.3 million (table 8). This number was, however, 15 percent smaller than in October 1941 and, except for September 1942, was the smallest number for any month this year. The major part of the September-October gain was the result of an increase of 5.6 percent in the number of new applications filed. The 718,000 new applications received in local employment offices during October, most of which were filed by persons not previously registered with the Employment Service, were, moreover, 4.6 percent more numerous than in October 1941.

Vocational Training Activities

Despite an increasing demand for trainees to replace workers entering military service and to meet the labor demands of expanding war production, September reports show that fewer persons were enrolled in training courses than during July.[7] The shortage of applicants has resulted from their unwillingness to take unpaid training when immediate employment opportunities are available. In September, nearly 270,000 persons were enrolled in pre-employment training courses sponsored by the Office of Education, in the training program of the National Youth Administration, in private vocational schools, and in the vocational training courses offered in the curricula of public schools (table 9). Of this number, more than 46,000 were expected to be

[2] Excludes Montana, New York, Pennsylvania, Rhode Island.

[7] Under a new reporting system, training activities are reported bimonthly instead of monthly. Comparable data for August are not, therefore, available.

Table 9.—*Number of trainees enrolled in training courses[1] and estimated trainee output, by State, September 1942 and September 1942–February 1943*

Social Security Board region and State	Enrollment, September 1942				Estimated trainee output, September 1942–February 1943	Estimated capacity trainee output, September 1942–February 1943
	Total	Women	Nonwhite	Ready for referral		
Total	269,843	69,055	23,987	46,025	712,239	1,854,021
Region I:						
Connecticut	1,843	318	62	122	5,114	14,418
Maine	1,217	183	29	117	2,113	6,395
Massachusetts	12,628	2,284	309	1,892	26,186	37,802
New Hampshire	796	192	2	60	2,013	6,072
Rhode Island	1,298	180	113	88	3,645	7,240
Vermont	491	149	1	52	838	2,810
Region II:						
New York	32,667	8,484	3,044	9,195	66,321	180,241
Region III:						
Delaware	486	79	150	71	1,793	3,195
New Jersey	7,608	1,736	628	456	21,284	49,918
Pennsylvania	23,489	5,508	2,302	4,008	52,102	91,661
Region IV:						
Dist. of Col	946	385	318	46	1,533	4,951
Maryland	2,462	1,244	906	209	7,904	31,277
North Carolina	4,265	1,017	485	452	11,635	21,722
Virginia	2,754	713	346	401	6,138	10,632
West Virginia	4,482	806	274	437	10,489	16,410
Region V:						
Kentucky	5,092	904	327	1,027	10,530	25,007
Michigan	12,312	4,090	1,487	4,721	45,623	115,887
Ohio	13,678	3,951	2,262	1,681	32,655	68,265
Region VI:						
Illinois	12,860	2,973	1,846	2,323	31,022	85,507
Indiana	7,878	2,212	623	1,584	21,084	38,041
Wisconsin	6,434	1,129	219	1,030	17,672	36,426
Region VII:						
Alabama	4,439	825	748	647	9,834	16,941
Florida	5,145	978	417	824	13,096	25,850
Georgia	5,506	991	517	847	17,311	35,118
Mississippi	2,748	410	436	426	6,558	18,608
South Carolina	2,919	471	310	248	7,235	13,265
Tennessee	5,376	1,745	321	1,060	15,040	36,565
Region VIII:						
Iowa	3,438	1,251	134	534	9,424	23,361
Minnesota	4,479	904	48	810	13,906	18,410
Nebraska	1,555	723	118	180	5,825	16,282
North Dakota	1,377	794	16	86	2,909	7,900
South Dakota	631	150	26	85	2,112	2,697
Region IX:						
Arkansas	2,420	328	336	361	5,991	10,687
Kansas	2,233	1,108	68	269	8,011	25,429
Missouri	8,119	1,781	764	1,026	23,120	50,682
Oklahoma	7,044	2,648	671	1,627	18,795	39,705
Region X:						
Louisiana	3,087	348	631	418	6,666	13,952
New Mexico	816	179	5	164	1,570	3,340
Texas	14,574	3,798	1,104	2,427	36,099	91,597
Region XI:						
Arizona	1,096	587	141	181	2,618	6,697
Colorado	1,894	464	52	261	4,156	25,983
Idaho	823	315	0	103	2,001	4,549
Montana	360	42	16	4	1,012	1,426
Utah	963	324	1	51	3,185	8,525
Wyoming	459	148	1	119	1,011	4,728
Region XII:						
California	24,939	6,752	1,261	2,967	71,801	414,662
Nevada	69	11	0	0	106	330
Oregon	4,562	1,085	105	243	32,397	47,513
Washington	3,077	1,358	7	85	12,666	35,342

[1] Includes pre-employment training courses sponsored by the Office of Education, the training program of the NYA, private vocational schools, and vocational courses offered in the curricula of public schools.

ready for referral to war jobs by the end of the month. Enrollments were highest in such important industrial States as New York, which reported the largest number of persons in training, and California, Illinois, Massachusetts, Michigan, Ohio, Pennsylvania, and Texas. These eight States accounted for more than half of all enrollments in September.

The Office of Education reported an active net enrollment of 160,000 in pre-employment courses as of the end of September, a 10-percent decrease from the number in training at the end of August and a decrease of almost 20 percent from July. The largest proportion of the active net enrollment at the end of September—35 percent—was in machine-shop courses. Ranking next in importance were aviation services, with 22 percent of total enrollments, and shipbuilding, with 16 percent. The number of youths employed in the training programs of the NYA also declined; the average figure of 58,000 a week during September represents a lower enrollment than for any other month in 1942.

The serious shortage of trainees has resulted in the under-utilization of training equipment in many areas. It is estimated that, although full utilization of available training facilities would permit the training of 1.9 million persons from September 1942 to February 1943, less than two-fifths of this number will be trained during the period. Enrollments in supplementary courses have risen more than 2 percent since August, indicating that employers are, to an increasing extent, not only sending employed workers to training for higher-skilled jobs but also hiring inexperienced workers and enrolling them immediately in public vocational courses.

As a result of increasing stringencies of male labor in many areas, women and nonwhite persons (mostly Negro) continue to be the largest reserve of potential trainees, and they are entering training classes in greater numbers than ever before. However, the training of these groups must be expanded considerably if war-production requirements of 1943 are to be met. Despite the decline in total training enrollments from July to September, enrollments of women in training courses rose 10 percent to 69,000. The number increased in 27 States; among them were New York, Pennsylvania, Michigan, and California with enrollments of between 4,000 and 8,500 women in September. Enrollments of nonwhite persons rose 12 percent from July to September, to 24,000. The largest increase occurred in New York, where more than 3,000 were enrolled in training classes in September in contrast to less than 900 in July. However, 26 States reported decreases in nonwhite enrollments from July.

USES referrals to pre-employment and refresher courses and assignments to the NYA war production training program reached a new high of 111,500 persons in August. After increasing for 6 months, referrals in September were 17,500 less than in the preceding month. They rose again in October, to 98,100, but still fell short of the peak established in August. In October, 82,000 applicants sent by the Employment Service were accepted for training in the public vocational schools, an increase of 3.2 percent over September but 13.3 percent less than in August. Assignments to the NYA training program—16,100 in October—were 11.2 percent more than in September and only 4.8 percent less than in August.

The public employment offices in California continued to refer the largest number of persons (8,500 in October) to pre-employment training, but this was only two-thirds the number referred in September. New York, Pennsylvania, Michigan, and Ohio reported referrals ranging from 5,400 to 7,800 in October. These 4 States with California accounted for 45 percent of all Employment Service referral activities with respect to this training program. Although 24 States in all reported increases in the number of persons referred to training, only 6 States had sizable increases.

Data on the placement of trainees are no longer available, but it is known that employer reluctance to recruit trainees has practically disappeared with the development of labor stringencies in many areas. Backlogs of graduate trainees no longer exist except as temporary situations caused by changes in hiring schedules or failure to adjust the training for specific occupations to actual labor demands.

Allowances and Disallowances of New Claims, July–September 1942

The proportion of new claims disposed of on first determination which were disallowed during

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July–September 1942 exceeded only slightly the all-time low established in the previous quarter. Of the 833,000 new claims initially determined, 14.2 percent (118,000) were disallowed as compared with 13.1 percent in the preceding quarter, and 16.5 percent in July–September 1941 (table

Table 10.—*Number of new claims disposed of on first determination by the initial authority, number allowed, number disallowed and percentage distribution by reason for disallowance, by State, July–September 1942*

[Data reported by State agencies, corrected to Oct. 20, 1942]

Social Security Board region and State	Total number of dispositions on first determination	Number allowed	Disallowed							
			Number	Percent of total dispositions	Reason for disallowance					
					Insufficient wage credits		No wage record		All other	
					Number	Percent of total dispositions	Number	Percent of total dispositions	Number	Percent of total dispositions
Total	833,196	714,862	118,334	14.2	[1] 67,348	[1] 8.1	[1] 33,229	[1] 4.0	[1] 16,658	[1] 2.0
Region I:										
Connecticut	15,578	11,791	3,787	24.3	437	2.8	360	2.3	2,990	19.2
Maine	3,802	3,436	366	9.6	188	4.9	178	4.7	0	0
Massachusetts	36,240	29,397	6,843	18.9	1,284	3.6	767	2.1	4,792	13.2
New Hampshire	3,022	2,803	219	7.2	157	5.2	62	2.0	0	0
Rhode Island	11,467	10,839	628	5.5	420	3.7	208	1.8	0	0
Vermont	737	643	94	12.8	72	9.8	22	3.0	0	0
Region II:										
New York	191,422	171,408	20,014	10.5	12,164	6.4	7,850	4.1	0	0
Region III:										
Delaware	1,244	1,134	110	8.8	61	4.9	49	3.9	0	0
New Jersey	46,865	43,935	2,930	6.3	1,836	3.9	1,094	2.4	0	0
Pennsylvania	47,587	44,309	3,278	6.9	2,074	4.4	1,204	2.5	0	0
Region IV:										
District of Columbia	2,335	1,798	537	23.0	459	19.7	70	3.0	8	.3
Maryland	8,900	8,345	555	6.2	290	3.2	265	3.0	0	0
North Carolina	18,410	14,289	4,121	22.4	1,573	8.5	1,427	7.8	1,121	6.1
Virginia	7,973	7,260	713	8.9	472	5.9	241	3.0	0	0
West Virginia	10,894	9,582	1,312	12.0	924	8.5	388	3.5	0	0
Region V:										
Kentucky	5,032	3,819	1,213	24.1	734	14.6	479	9.5	0	0
Michigan	50,309	45,089	5,220	10.4	3,690	7.4	1,526	3.0	4	(2)
Ohio	34,813	24,913	9,900	28.4	[3] 4,151	11.9	1,256	3.6	4,493	12.9
Region VI:										
Illinois	85,511	76,538	8,973	10.5	5,309	6.2	3,664	4.3	0	0
Indiana	15,119	13,838	1,281	8.5	1,236	8.2	45	.3	0	0
Wisconsin [4]	8,488	7,389	1,099	12.9	(1)	----------	(1)	----------	(1)	----------
Region VII:										
Alabama	13,932	12,388	1,544	11.1	1,131	8.1	413	3.0	0	0
Florida	21,308	15,056	6,252	29.3	4,672	21.9	1,309	6.1	271	1.3
Georgia	15,314	12,560	2,754	18.0	1,734	11.3	851	5.6	169	1.1
Mississippi	4,063	2,809	1,254	30.9	591	14.6	290	7.1	373	9.2
South Carolina	7,209	5,648	1,561	21.7	1,167	16.2	394	5.5	0	0
Tennessee	18,125	15,036	3,089	17.0	2,330	12.8	759	4.2	0	0
Region VIII:										
Iowa	4,929	3,425	1,504	30.5	385	7.8	250	5.1	869	17.6
Minnesota	6,540	5,547	993	15.2	662	10.1	331	5.1	0	0
Nebraska	1,416	980	436	30.8	267	18.9	169	11.9	0	0
North Dakota	258	186	72	27.9	35	13.6	31	12.0	6	2.3
South Dakota	312	224	88	28.2	8	2.6	42	13.4	38	12.2
Region IX:										
Arkansas	11,308	9,832	1,476	13.1	671	6.0	805	7.1	0	0
Kansas	2,870	2,471	399	13.9	220	7.7	179	6.2	0	0
Missouri	28,217	21,944	6,273	22.2	3,896	13.8	1,505	5.3	872	3.1
Oklahoma	6,258	4,883	1,375	22.0	915	14.6	460	7.4	0	0
Region X:										
Louisiana	19,685	15,465	4,220	21.4	3,974	20.2	246	1.2	0	0
New Mexico	744	574	170	22.8	81	10.9	89	11.9	0	0
Texas	13,864	11,202	2,662	19.2	1,040	7.5	1,382	10.0	240	1.7
Region XI:										
Arizona	1,425	1,088	337	23.6	171	12.0	143	10.0	23	1.6
Colorado	1,556	1,221	335	21.5	124	8.0	114	7.3	97	6.2
Idaho	689	537	152	22.1	60	8.7	8	1.2	84	12.2
Montana	681	555	126	18.5	21	3.1	13	1.9	92	13.5
Utah	1,886	1,581	305	16.2	207	11.0	81	4.3	17	.9
Wyoming	302	169	133	44.0	38	12.6	24	7.9	71	23.5
Region XII:										
California	40,877	34,030	6,847	16.8	4,925	12.1	1,922	4.7	0	0
Nevada	258	168	90	34.9	77	29.8	12	4.7	1	.4
Oregon	945	723	222	23.5	98	10.4	105	11.1	19	2.0
Washington	2,011	1,664	347	17.3	214	10.7	133	6.6	0	0
Territories:										
Alaska	101	69	32	31.7	19	18.8	13	12.9	0	0
Hawaii	365	272	93	25.5	84	23.0	1	.3	8	2.2

[1] Excludes Wisconsin, for which data are not comparable because of provision of State law.
[2] Less than 0.05 percent.
[3] Represents insufficient weeks of employment in base period.
[4] Data represent dispositions of all initial claims for total and part-total unemployment.

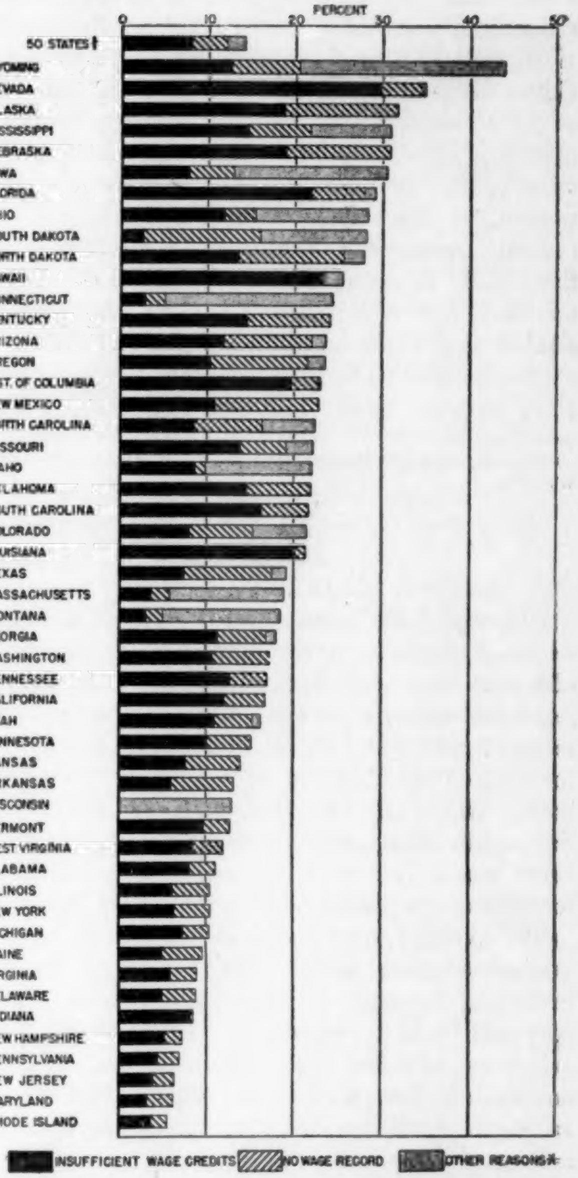
10). Claims disallowed [8] because of insufficient wage credits or no wage record comprised 12.1 percent of all dispositions, as compared with 11.5 percent in the preceding quarter—the lowest figure on record.

While the total number of new claims disposed of declined markedly from the second to the third quarter, dispositions of reopened new claims increased with the result that reopenings accounted for 12.5 percent of all dispositions, as compared with only 7.4 percent in the preceding quarter. This increase was largely attributable to three States—Illinois, New York, and Pennsylvania—which reported greatly increased numbers of reopenings although their total dispositions declined. More than 80 percent of all reopened determinations were sustained during this quarter, a larger proportion than that for any previous period.

Disallowances.—A majority of the States experienced declines from the second quarter in the relative number of claims disallowed because of insufficient wage credits, although for the Nation as a whole the proportion of claims held invalid for this reason rose slightly—from 7.6 to 8.1 percent of total dispositions. All but 14 States, on the other hand, experienced increases in the percentage of claims disallowed because of the absence of any record of wages earned in covered employment, but in most cases the rise was insignificant and for the country as a whole the proportion was little above the record low of 3.9 percent established in the preceding quarter. Ten States,[9] however, have reported consistently high proportions of claims disallowed for either or both of these two reasons during each of the first 3 quarters of 1942; during the third quarter, their disallowance rates for both reasons combined ranged from 21 to 35 percent. The growing importance of no wage record as a reason for disallowance had caused the proportion of new claims disallowed to increase in five of these States—District of Columbia, Mississippi, Nebraska, North Dakota, and South Carolina. Nevada, which had the greatest increase in disallowance rate among these 10 States, reported that 30 percent of its claims were disallowed because of insufficient wage credits during the third quarter as compared with 22 percent in the preceding quarter.

Substantial declines in disallowance rates were reported by Arkansas, North Carolina, and Utah, where absence of wage records was of decreasing

Chart 6.—*Percent of new claims disallowed on first determination, by reason for disallowance and by State, July–September 1942*



† Excludes Wisconsin, because provisions of State law are not comparable.
* Includes some claims not allocated by reason for disallowance where provision of State law is not comparable.

[8] "Disallowed" new claims include those ruled invalid because of lack of wage records, or because of insufficient base-period earnings or employment; they may also include claims against which a disqualification has been applied. A disqualification is reported as a "disallowance" only by those States in which a claimant's benefit rights may be canceled as the result of the disqualification or in which the claims procedure requires the filing of a second new claim after the disqualification period has been served.

[9] District of Columbia, Florida, Louisiana, Mississippi, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, South Carolina.

importance, and by Idaho, as the result of a marked drop in claims filed by workers who had insufficient wage credits.

Reopened claims.—While in 35 States the proportion of reopenings to total new-claim dispositions was lower than the national average of 12.5 percent, 7 States [10] reported proportions of more than 19 percent. All these States reported increases over the second quarter, and all except Pennsylvania had reported higher-than-average proportions during the first 2 quarters of the year. The unusually high rate in Oregon, where reopenings constituted 97 percent of all dispositions, was the result of a recent State Supreme Court decision which required the reexamination of all seasonal claims filed since 1938; these reopenings constituted 26 percent of the Nationwide total. In Pennsylvania, the increased proportion of reopenings—from 2.4 percent in the second quarter to 22.8 percent in the third—was due chiefly to changes in the benefit provisions of the State law, effective July 1, 1942, which necessitated the redetermination of benefit rights of claimants who had not established a benefit year prior to that date. Eighteen additional States reported that the proportion of new claims reopened rose from the second to the third quarter, and 35 States reported increases over the corresponding quarter of 1941.[11]

In accordance with the usual pattern, most of the previously allowed claims were sustained on redetermination, whereas the determinations were reversed on the majority of those previously disallowed. For the entire Nation, previously allowed claims constituted more than 75 percent of all redeterminations, a larger proportion than in either the second quarter of 1942 or the third quarter of 1941. Reversals for this group of claims amounted to only 4 percent, less than in the previous quarter or in July–September 1941. In Idaho and South Dakota, which had relatively small numbers of claims involved, more than half of the reopenings of previously allowed claims resulted in reversals, and in 5 States [12] from 19 to 45 percent of reopened new claims which had been previously allowed were reversed. Approximately 66 percent of all reopened claims which had previously been disallowed were reversed, with the number of claims reversed exceeding the number sustained in 34 States.

[10] Kentucky, Missouri, Nebraska, Oregon, Pennsylvania, South Dakota, Wyoming.

[11] Data for the third quarter of 1942 not comparable with those of previous quarters in Connecticut, District of Columbia, Indiana.

[12] Iowa, Massachusetts, Montana, Nebraska, Wyoming.

Railroad Unemployment Insurance*

Although employment on class I railroads declined slightly in October, benefit payments also continued to decline. The number of benefit payments was 600 less than in September, and the amount paid was $16,500 less. Some 8,600 payments totaling $188,000 were certified during the month (table 1). The difference from the preceding month occurred primarily in initial payments; there was only a slight decrease in certifications for subsequent periods of unemployment (table 2).

The average payment for initial periods, $17.09, was substantially higher than the average for the preceding month. This increase reflects unemployment in first registration periods recorded for a larger-than-usual proportion of skilled shopmen and their higher-paid helpers. In contrast to payments for initial periods, the average payment for subsequent periods of unemployment during October, $22.57, was lower than that for September, because unemployment within the registration periods had declined. In September, 66 percent of the registration periods exhibited complete unemployment as compared with 59 percent in October. Conversely, 16 percent of the certifications were for less than 10 days of unemployment in September as against 19 percent in October.

Forty out of each hundred payments were made to three groups of laborers—station and platform, maintenance of way, and maintenance of equipment laborers. Data on certifications indicate that the largest number of lay-offs occurred in the New York and Atlanta regions. More than one-fourth of the payments were made to skilled manual workers such as switchmen, firemen, brakemen, conductors, engineers, and skilled shopmen; such payments were heaviest in the Atlanta region. Nearly one-tenth of all payments

*Prepared by the Office of Director of Research, Railroad Retirement Board, in collaboration with the Bureau of Research and Statistics, Social Security Board.

were made to professional, supervisory, and clerical workers.

The age distribution of workers receiving railroad unemployment insurance benefits in October was strikingly different from the usual age pattern of unemployed workers outside the industry. Unemployment for commercial and industrial workers is generally concentrated in the youngest and oldest age groups.

In the railroad industry, however, as indicated by October payments, workers aged 35–64 had a relatively larger volume of registered unemployment, as shown by the ratio of payments to their numbers in the 1941 labor force. Younger employees received proportionately fewer payments, while older workers received payments in proportion to their number. The October distribution is similar to the pattern for September.

The reasons for the difference in the age pattern of unemployment are to be found partly in the operations of the Railroad Unemployment Insurance Act in a period of labor scarcity and partly in the position of labor in the railroad industry. Workers aged 65 and over generally have the longest service and, under prevailing seniority rules, steadier employment. Workers under 35 years of age, on the other hand, have been in the industry for relatively short periods of time; the industry, therefore, has less hold on them. The largest proportion of workers who have left railroading are under 35, since they have found more advantageous employment outside the industry. Most of them were not eligible for benefits, because they either had not remained in the industry long enough to earn a sufficient amount in the base period or were employed in other industries. This situation cannot be considered characteristic of the industry except under present conditions, for a tabulation of a sample of unemployment iosurance beneficiaries in 1939–40 indicates that the greatest relative unemployment occurred among workers under 45 years of age and the least in the older age groups.

Claims for unemployment compensation.—Workers filed 10,900 claims for unemployment compensation during October (table 1). Decreases occurred in seven of the nine regions of the Board. The New York and Atlanta regions, which were among those showing the smallest decreases in registered unemployment as compared with last year, recorded slight increases in claims. The Minneapolis, Denver, and San Francisco regions, among those evidencing the greatest reductions in claims from last year, recorded the sharpest decreases from September.

Certificates of benefit rights.—Nearly 1,300 workers who had experienced their first unemployment in the current benefit year applied for certificates of benefit rights in October. Although there is a tendency for such applications to drop very sharply after the initial month of the new benefit year until the fall and winter lay-offs take place, the number of workers who applied for certificates in the Minneapolis and Denver regions showed little change, and even increased in the New York region.

During July–October, 12,300 certificates of benefit rights were issued to qualified railroad workers who had experienced unemployment.

Employment service.—Placement figures of the employment service for October reflect the de-

Table 1.—*Railroad unemployment insurance: Applications for certificate of benefit rights received, claims received, and benefit payments certified, by specified period, 1941–43*

[Corrected through October 1942]

Period	1942–43				1941–42			
	Applications [1]	Claims	Benefit payments [2]		Applications [1]	Claims	Benefit payments [2]	
			Number	Amount			Number	Amount
July–October	12,836	46,020	35,438	$759,166	33,160	126,161	103,256	$2,147,000
October	1,292	10,913	8,642	187,823	5,536	33,387	29,031	630,655
Oct. 1–15	664	5,534	4,375	95,410	2,439	15,800	13,492	295,640
Oct. 16–31	628	5,379	4,267	92,413	3,097	17,587	15,539	335,015
Weekly averages:								
July	1,452	2,499	1,630	33,551	4,031	6,478	4,632	81,260
August	752	2,904	2,403	50,914	1,339	7,763	6,122	128,781
September	416	2,766	2,216	48,865	1,032	7,494	6,661	146,230
October	290	2,450	1,940	42,164	1,218	7,345	6,387	138,744

[1] For current benefit year only. [2] Net figures, adjusted for underpayments and recovery of overpayments.

Table 2.—*Railroad unemployment insurance: Number of benefit certifications, average benefit, and average number of compensable days for certifications of benefit year 1942–43, by month, July–October 1942* [1]

[Corrected through October 1942]

Type of certification and period	All certifications				Certifications with 14 days of unemployment			Certifications with 8–13 days of unemployment				Certifications with 5–7 days of unemployment			
	Number	Average benefit payment	Average daily benefit	Average number of compensable days	Percent of all certifications	Average benefit payment	Average daily benefit	Percent of all certifications	Average benefit payment	Average daily benefit	Average number of compensable days	Percent of all certifications	Average benefit payment	Average daily benefit	Average number of compensable days
Certifications for first registration period: [2]															
July	2,457	$16.59	$2.82	5.88	66.7	$19.95	$2.85	33.3	$9.87	$2.82	3.65				
August	3,262	16.23	2.80	5.80	64.6	19.56	2.79	35.4	10.16	2.82	3.60				
September	1,557	15.25	2.70	5.66	62.0	18.63	2.66	38.0	9.75	2.81	3.47				
October	1,146	17.09	2.92	5.84	64.9	20.73	2.96	35.1	10.35	2.80	3.69				
Certifications for subsequent registration periods: [2]															
July	351	25.16	2.77	9.08	77.2	27.77	2.77	19.7	17.98	2.74	6.57	3.1	$6.00	$2.75	2.18
August	6,716	24.02	2.80	8.57	69.0	28.00	2.80	23.0	18.50	2.80	6.61	8.0	5.66	2.76	2.05
September	7,680	23.36	2.76	8.45	65.7	27.82	2.78	26.1	17.76	2.69	6.59	8.2	5.44	2.73	1.99
October	7,452	22.57	2.77	8.15	59.4	28.09	2.81	29.9	17.53	2.64	6.63	10.7	5.99	2.87	2.09

[1] Data based on 33.3-percent sample, except number of certifications and average benefit per certification.

[2] Benefits are payable for each day of unemployment in excess of 7 for first registration period and in excess of 4 for subsequent registration periods.

creased demand for outdoor maintenance workers; nevertheless, 6,280 trackmen were placed in jobs. The demand for freight handlers and switchmen increased. Laborers, truckers, clerks, firemen, brakemen, and skilled shopmen were among the 9,400 persons placed during the month through the efforts of the Railroad Retirement Board's employment service.

About half the workers were placed through the Chicago, Dallas, and Kansas City regional offices. Fewest placements occurred in the Atlanta region, and about 800–900 workers were placed in each of the other regions.

Increased activity of the employment service, resulting from the war emergency, is reflected in a comparison of the figures for July–October 1942 with the same period last year. This year, employer orders have more than doubled and placements have quadrupled; approximately 49,300 jobs have been filled. Furthermore, the proportion of openings canceled by employers to openings submitted fell from approximately 40 percent for July–October 1941 to 20 percent for the corresponding period of 1942. This decline reflects the increased success of the employment service in supplying the needs of the railroads.

Many annuitants and pensioners have returned to work in response to the call for experienced railroad workers. About 1,100 of these men had reported to the Board's field offices throughout the country by the end of October, and more than 100 had already started to work. The oldest man rehired is an assistant rate clerk, 79 years of age; the two youngest, aged 51, are a crew dispatcher and a hoist engineer. One of the returning section hands is 66. The average age of the men who have returned to work is 67.

Field Organization of the Railroad Retirement Board

The Railroad Retirement Board has reorganized its field structure to facilitate war placements in the railroad industry and to take account of the decline in unemployment insurance operations. The most recent changes, effective November 15, 1942, modified several regional lines to correspond to State boundaries instead of county lines, as formerly.

The field organization of the Railroad Retirement Board, through which Board representatives assist both railroad employers and workers, now consists of 9 regional offices, 35 district managers' headquarters, 54 base points, and approximately 80 stations at which itinerant service is provided. The regional centers of the Board are the only established field offices in the sense that they serve as permanent headquarters for Board employees who are empowered to adjudicate claims, make awards, and certify payments. The only other established offices are the central office in Chicago and the office of the Washington, D. C., repre-

sentative. The Board holds that it may be served, in case of legal suit, only at its established offices.

The early field organization, which dates back to July 1936, was created to collect the service records needed in the adjudication of annuity applications. After the bulk of this work was finished, the field work was limited to claims investigations, and many of the local offices were closed. Following the passage of the Railroad Unemployment Insurance Act of 1938, however, the Board found it necessary to establish in June 1939 an extensive field organization to deal with the numerous problems arising under the new law. Although the field offices are primarily concerned with the administration of the unemployment insurance act, the scope of their activity has been widened to include the development of retirement claims and the employment service and prior-service programs. Employment service facilities were made available in each office after stations for employment service functions had been independently established.

At the outset, 12 regional areas were defined, following the major railroad lines in the country. Regional offices, which had jurisdiction over 35 district managers' headquarters, were set up in Boston, New York, Cleveland, Chicago, Richmond, Atlanta, Minneapolis, Kansas City, Dallas, Denver, Seattle, and San Francisco. These offices were responsible for disseminating information, assisting claimants in filing applications, assembling documents, and maintaining contact with the claimant while the claim was in process.

The Board has, from time to time, made improvements which were found advisable in administering the field program with maximum efficiency and with a corresponding saving in cost and effort. Accordingly, in November 1939, after less than 6 months of operation, the Richmond office (region 5) was closed and its activities were absorbed by Atlanta (region 6). In June 1940,

Regional and district managers' offices of the Railroad Retirement Board as of December 1, 1942

the Boston office (region 1) was abandoned and the New York region took over the Boston area; and in June 1942, the area previously serviced by the Seattle office (region 11) was divided between San Francisco and Minneapolis.

The 9 remaining regions still retain their original numerical designation They are known either by the name of the city in which the regional office is located or by number. Thus, region 6 may be referred to as the Atlanta region.

The recent changes in regional boundaries affected all but two regions—regions 7 and 12. Region 3 (Cleveland) now includes all of Kentucky and West Virginia; the small part of Virginia formerly in region 2 has been assigned to region 6 (Atlanta); the part of Iowa which was in region 8 is now included in region 4 (Chicago); and region 8 (Kansas City) has been expanded to include the parts of Arkansas, Nebraska, and Kansas that had been in regions 9 and 10.

Railroad Unemployment Insurance in 1942–43 *

Unemployment insurance payments to railroad workers declined by 50 percent in the fiscal year ended June 30, 1942. The first 3 months of the current fiscal year recorded a decline of nearly two-thirds from the corresponding months of last year. It has been suggested that this decline may be taken as an indication of the unemployment insurance load for the remainder of the fiscal year. Will it continue to decline proportionately? Will it almost completely disappear? Although specific answers cannot be given, an analysis of the various factors affecting railroad unemployment insurance can indicate the possible tendency of developments.

The analysis must take into account the most important factors, such as railroad labor supply, employment, and unemployment; current dynamic elements of railway economics; and general economic factors. An investigation of all these factors indicates that there will be a substantial decrease in claims this year but that claims will not continue to decline at the rate for the first 3 months of this fiscal year.

A brief review of a few salient statistics for the fiscal years 1940–41 and 1941–42 can serve, in a measure, as background. Railroad employment in 1940–41 rose 54,000 from 1939–40, but unemployment insurance claims [1] declined by 212,000, or only 8,850 man-years of unemployment. In 1941–42 the rise in railroad employment was 150,000, but the decline in claims accounted at most for only 30,000 man-years of unemployment. The number of claims and the volume of unemployment which they represent illustrate the fact that claims for unemployment benefits generally do not decrease as much as employment increases, as is popularly supposed.

One of the potent influences retarding a decline in claims commensurate with the rise in employment is imperfect mobility of labor. If 1,000 workers are wanted at a certain railroad shop and there are 2,000 unemployed shopmen in the United States, only 100 may apply. The remaining 1,900 may be so far from the point of demand as to make acceptance of a job uneconomical or undesirable. The general idea is borne out by data on gross increases and decreases in employment on class I railroads in the different Interstate Commerce Commission regions (table 1).

The frictions retarding occupational mobility are indicated by gross increases and decreases of employment in each of seven functional divisions of employees on class I railroads [2] (table 2). The gross increases in employment in maintenance of way and structures are the sum of the increases on all railroads, disregarding decreases in other groups on the same road or any group on other roads. Gross decreases are similarly defined. These figures differ from labor turn-over figures since they are the result of net differences *within* functional groups of employees on each railroad and so do not reflect the changes in each of the 128 ICC occupations. Furthermore, they take no account of turn-over within each employee group on individual railroads.

The differences between the net changes in employment in each employee group and turn-over within the group of a given road may be indicated by contrasting reported changes of employment on maintenance of way with placements made by the Railroad Retirement Board employment service.

* Prepared by Daniel Carson, Railroad Retirement Board.

[1] A claim for unemployment insurance covers a period of 14 days; it may represent only 1 or the full 14 days of unemployment.

[2] Based on preliminary reports of individual railroads to the Interstate Commerce Commission.

Between mid-July and mid-August 1942 the employment service placed 840 workers on the Pennsylvania Railroad, nearly all of whom were in maintenance of way. But there was a recorded net decrease of 600 employees in that employee group. The net decrease of 600, then, obscured accessions of at least 840 and separations of not less than 1,440. Similarly, the net increase of 992 in maintenance-of-way employment on the Union Pacific represented at least 3,201 accessions and 2,209 separations. These are perhaps the most extreme examples of the difference between turnover and gross changes of employment.

From mid-November to mid-December 1941, a month in which there was a large difference between net and gross changes, roads on which maintenance-of-way employment increased showed gains of 2,180 while the other roads showed declines of 26,200. In the same period, the gross increases in all branches of railroad work totaled 16,218, and the gross decreases, 33,688. In the period from October 1941 to October 1942, when there was a net gain of 103,000 in all branches, the increases were 273,000 and the decreases 170,000. Many of the workers who were laid off have, of course, filed claims for unemployment insurance.

Factors Tending Toward an Increase in Claims

The most important single factor promoting a rise in the unemployment insurance load is the substantial increase in the amplitude of seasonal fluctuations of railroad employment in recent years. This increase is the more important because it tends to affect 400,000 more railroad workers than a few years ago. Additional workers have been employed to care for different seasonal traffic and maintenance requirements, and there has been a tendency toward a larger volume of lay-offs in the slow periods.

The seasonal rise from valley to peak of all railroad employment grew from 6.3 percent in the period 1931–37 to 7.7 percent for 1938–41.[3] Branches of railroading showing the greatest seasonal fluctuations of employment are maintenance of equipment and stores, and maintenance of way and structures. The amplitude of seasonal fluctuations of employment in the former branch increased from 1.4 percent in 1931–37 to 7.2 percent in 1938–41; in the latter, from 28 to 34 percent.

The combined effect of the sharper seasonal fluctuations and the rise in employment in maintenance of way during the last few years is reflected in the extent of seasonal declines in employment. There was a decline of 71,000 from the month of highest employment in the summer of 1941 to the month of lowest employment in the winter of that year; the decline was 59,000 in 1940; 53,000 in 1939; and 45,000 in 1938.

The higher level of employment in the summer of 1942 in this branch of railroad work indicates that a greater number of lay-offs this year is probable. Lay-offs of workers in maintenance of way and structures have, in the past, given rise to approximately one-third of the claims for rail-

[3] Seasonal indexes of employment were derived for 1931–37 by Clement Winston, for 1938–41 by Alden Bixby and the author.

Table 1.—*Gross increases and decreases in employment on class I railroads, by region, October 1941–October 1942*

Month	Total		New England		Great Lakes		Central Eastern		Pocahontas		Southern		Northwestern		Central Western		Southwestern	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
1941																		
October	18,953	12,461	670	670	1,876	5,680	2,963	827	939	211	3,232	572	1,854	2,057	5,117	1,788	2,302	656
November	12,671	28,415	340	2,000	1,787	5,975	2,571	3,251	335	483	1,859	1,320	738	6,074	4,358	7,494	683	1,818
December	16,218	33,688	1,402	1,201	2,397	3,470	2,419	6,241	471	582	3,957	1,164	809	10,937	3,216	7,889	1,547	2,204
1942																		
January	10,381	26,211	288	1,344	1,675	4,999	1,279	4,015	392	859	2,250	1,729	1,028	3,509	2,545	7,534	924	2,222
February	12,475	12,386	798	394	969	2,961	3,120	765	374	324	1,887	1,477	1,093	2,012	2,834	3,645	1,400	808
March	25,571	3,950	1,044	318	2,619	941	6,745	408	516	266	2,292	493	2,427	393	7,420	747	2,508	384
April	52,451	2,696	1,553	509	9,290	436	9,036	276	1,623	33	3,825	480	9,715	364	13,358	370	4,051	228
May	35,337	5,107	2,199	195	6,867	654	5,962	965	1,028	120	3,328	1,060	8,506	1,027	5,001	616	2,446	470
June	29,073	6,879	1,497	497	6,334	825	5,873	829	515	361	3,709	1,114	3,539	897	5,283	1,465	2,323	891
July	29,445	5,675	1,977	101	5,172	779	4,561	975	728	181	2,929	1,148	1,504	761	8,301	1,500	4,273	230
August	16,142	10,016	442	859	1,550	1,215	1,907	1,299	281	755	3,409	296	635	2,330	5,692	2,368	2,226	894
September	16,255	17,200	677	871	1,981	3,134	2,263	3,690	575	258	2,776	737	1,898	2,800	2,934	5,375	3,151	335
October	17,603	17,659	560	1,285	1,226	4,772	2,244	2,280	376	186	3,732	387	1,112	2,345	4,233	5,275	4,120	1,129

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road unemployment insurance. One influence which tends to modify somewhat the sharp seasonal changes in maintenance-of-way employment is the increase in employment, in the last year, in the southern regions where seasonal changes have been relatively low.

Another factor inducing lay-offs of railroad workers in some localities is the conversion of additional industries to war production. Traffic is likely to be curtailed during the transition period, different areas being affected in different degrees. The decline in the traffic of consumer durable goods, the manufacture of which is restricted, or distribution diverted to military projects, may also bring on staff reductions on some railroads, especially those which cannot benefit by the vast increase in the movement of war materials, in transcontinental traffic, or in hauling petroleum products or other commodities not previously handled in large volume. Some of the railroads, particularly inland lines which run north and south and those servicing farming areas exclusively, will be most affected.

Factors Tending Toward a Decrease

Offsetting these various influences are the upswing in the employment cycle, the tight labor-supply situation, unusually heavy turn-over in the railroad labor force, and the full utilization of the physical capacity of railroads.

The sharp upward movement in the railroad employment cycle has partially offset the tendency to lay off workers during seasonal lulls and in periods when weather does not permit outdoor maintenance work. The usual lay-offs in maintenance of way and structures, for example, have been partially counterbalanced by the increasing demand for such workers throughout the year. In each year beginning with 1939, the lowest monthly employment average of these workers has been higher than the lowest employment in the preceding year. The figures for each year from 1939 to 1942 have been, respectively, 168,000, 173,000, 179,000, and 207,000. Moreover, cyclical changes are less pronounced. Since December 1941, each succeeding month (except April 1942) has shown a progressively smaller rise from the same month one year earlier.

Greater seasonal lay-offs do not necessarily mean that there will be more unemployment in the seasonal lulls. From the viewpoint of unemployment insurance, it is one thing for lay-offs to occur when there is a large labor reserve and quite another when they come during a period of labor stringency. With the heavy current demand for workers, many of the maintenance-of-way men who formerly remained on the unemployment insurance rolls until outdoor maintenance work could be resumed in the spring will be placed in jobs in other industries almost immediately. Conditions this winter will probably permit many of them to eliminate completely the winter period of unemployment. Efforts are also being made by the Railroad Retirement Board and the Office of

Table 2.—*Gross increases and decreases in employment in specified employee groups, by month,[1] October 1941–October 1942*

Period [1]	Total, 7 groups [2]		Professional, clerical, and general		Maintenance of way and structures		Maintenance of equipment and stores		Transportation other than train, engine, and yard		Train and engine service	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Total	273,622	169,882	28,481	5,254	122,514	108,021	43,684	18,493	24,283	15,855	50,175	20,763
1941												
October to November	12,671	28,415	1,838	182	2,361	20,771	3,708	2,586	1,701	2,598	2,719	2,184
November to December	16,218	33,688	4,273	289	2,180	26,207	3,362	1,337	3,027	1,633	3,122	4,005
1942												
December to January	10,381	26,211	2,306	565	1,039	17,511	3,074	2,184	354	3,514	3,210	2,200
January to February	12,475	12,386	1,439	1,288	3,371	5,906	2,359	2,044	1,227	1,423	3,743	1,622
February to March	25,571	3,950	1,910	409	10,475	1,086	4,537	652	2,601	607	5,621	1,063
March to April	52,451	2,696	2,212	199	34,402	291	5,778	696	2,572	406	7,059	959
April to May	35,337	5,107	1,851	142	22,905	1,082	4,120	1,381	1,864	1,157	4,211	1,145
May to June	29,073	6,879	3,247	293	15,727	2,042	4,369	916	2,746	408	2,539	3,019
June to July	29,445	5,675	3,322	108	15,502	1,822	4,127	936	1,955	870	4,165	2,132
July to August	16,142	10,016	1,939	257	6,753	6,199	1,855	1,708	1,410	641	3,819	1,112
August to September	16,255	17,200	1,754	606	3,844	12,466	2,880	2,784	2,291	666	5,129	561
September to October	17,603	17,659	2,390	916	3,955	12,638	3,515	1,269	2,535	1,932	4,838	761

[1] Changes in employment reported as of middle of month.
[2] Total includes changes for executives and officials and yard employees not shown separately in this table.

Defense Transportation to reduce the declines in maintenance-of-way employment by transferring laid-off workers to regions where outdoor maintenance can be continued into the winter months.

The larger volume of railroad traffic and the tight labor supply have brought about an increase in the number of workers who have earned enough in 1941 to qualify for unemployment insurance benefits in 1942–43. This influx of potential claimants is likely to be completely counterbalanced, however, by turn-over in the railroad labor force, since many workers get jobs in nonrailroad industries. Because they will not be covered by railroad unemployment insurance in these other industries, workers who leave the railroad industry will not receive railroad unemployment compensation and those who enter will not qualify for benefits until they have earned at least $150 in the calendar year preceding the beginning of the benefit year. Workers who will have left the industry and its unemployment benefits may exceed 500,000 by the end of the present fiscal year;[4] workers newly entered into the industry may exceed a million before July 1, 1943, the earliest date on which they can qualify for benefits.[5] If it is borne in mind that the workers who leave the industry are to a large degree those with least continuity of employment and in general the lowest rates of pay, the substantial effect of labor turn-over on the railroad unemployment insurance load can readily be seen.

One effect of the industry's nearly full utilization of its physical capacity is indicated by the change in the seasonal pattern of movement of coal. In previous years there was a decline of 50,000 carloads weekly in shipments after January and February. In 1942, as a result of a campaign by the Bituminous Coal Consumers' Counsel, shipments of coal actually increased in the spring. This change has probably caused a significant reduction in unemployment insurance claims from certain localities. Similar measures to equalize the flow of freight traffic throughout the year are likely to be taken by the Office of Defense Transportation.

Conclusion

The influences which tend to increase the unemployment insurance claim load have been considerably outweighed by factors which effect declines in the number of claims received. Increases in seasonal fluctuations, conversion of additional industries to war production, and declines in hauling certain types of commodities point to a rise in registered unemployment. However, the general upswing of the business cycle, the tight labor-supply situation, the heavy turn-over in the labor force, and full utilization of the physical capacity of the railroads more than offset these tendencies. These factors have exerted considerable influence during the first 3 months and have caused a decline of nearly two-thirds from the corresponding months of the preceding year. The most significant element, however, the greatest effect of which will be felt in the coming winter months, is the large seasonal lay-off of maintenance-of-way employees. As mentioned previously, the decline in such employment has increased from year to year.

It is believed, therefore, that the fall and winter lay-offs will not be sufficiently offset by absorption of workers into other industries and by the cyclical rise in railroad employment to permit a reduction in later months in the unemployment insurance load to the relatively low levels of the first few months of the fiscal year. It should be added, however, that the various tendencies described above may be modified by steps taken by the War Manpower Commission to freeze railroad workers to their jobs or stabilize employment conditions.

[4] Wage records of the Railroad Retirement Board show that, of 1.6 million workers who had earnings with covered employers in 1939, some 230,000 did not have earnings in 1940; there were also 295,000 who had earnings in 1940 but not in 1939. This ratio of separations to accessions is believed to be too high for the present rate of accessions in a labor force protected by strong seniority regulations. A larger part of the separations from the industry will undoubtedly comprise newly entered workers, and the number of separations of workers qualified for benefits will probably be about 300,000 more than in 1939.

[5] There were 500,000 accessions in the first 9 months of 1942.

OLD-AGE AND SURVIVORS INSURANCE

BUREAU OF OLD-AGE AND SURVIVORS INSURANCE • ANALYSIS DIVISION

Operations Under the Social Security Act

Monthly Benefits in Force and Payments Certified, September 1942

At the end of September, 646,000 beneficiaries on the old-age and survivors insurance rolls were entitled to monthly benefits in the amount of $11.7 million (table 1). More than 23,500 beneficiaries were added to the rolls during the month, and 4,100 entitlements were terminated. More than one-third of the terminations were caused by the death of the primary beneficiary, and one-fourth by termination of entitlement of child beneficiaries. The average amounts of benefits in force are shown in table 2.

The total amount of monthly benefits and lump-sum payments certified during the first 9 months of 1942 exceeded the total certified during the entire calendar year 1941 by almost $6 million (table 3). Certifications of monthly benefits during the 9-month period were about $8 million greater than those for the year 1941, but lump-sum payments were $2 million below the 1941 total. This difference is to be expected, since lump-sum payments have remained fairly constant, while the continuing excess of awards over terminations of benefits has accelerated the rate of monthly benefit certifications.

Table 2.—*Average amount of monthly benefits in force, by type of benefit and payment status, September 30, 1942* [1]

[Corrected to Oct. 15, 1942]

Type of benefit	Total in force	Payment status			
		Current	Deferred	Conditional	
				Suspensions	Frozen benefits
Primary	$22.90	$22.97	$21.46	$21.57	$26.52
Wife's	12.19	12.24	11.41	11.27	13.58
Child's	12.18	12.21	11.13	11.74	12.21
Widow's	20.19	20.16	23.84	21.55	21.30
Widow's current	19.53	19.56	18.69	19.50	19.09
Parent's	13.00	13.00	20.00	12.81	0

[1] See footnotes to table 1.

Table 1.—*Number and amount of monthly benefits in force* [1] *in each payment status* [2] *and actions effected during the month, by type of benefit, September 1942*

[Current month's data corrected to Oct. 15, 1942]

Status of benefit and action	Total		Primary		Wife's		Child's		Widow's		Widow's current		Parent's	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
In force as of Aug. 31, 1942	626,170	$11,388,949	289,776	$6,629,741	81,481	$992,455	164,610	$2,005,136	23,927	$483,091	63,705	$1,243,867	2,671	$34,659
Current-payment status	552,762	9,985,877	246,913	5,664,604	71,892	879,291	153,591	1,873,857	23,659	477,086	54,051	1,056,575	2,656	34,464
Deferred-payment status	2,933	56,549	2,075	44,362	358	4,055	228	2,618	99	2,349	171	3,134	2	31
Conditional-payment status	70,475	1,346,523	40,788	920,775	9,231	109,109	10,791	128,661	169	3,656	9,483	184,158	13	164
Suspensions [3]	55,358	1,016,304	32,026	688,866	6,989	78,646	9,244	109,928	100	2,165	6,986	136,535	13	164
Frozen benefits [4]	15,117	330,219	8,762	231,909	2,242	30,463	1,547	18,733	69	1,491	2,497	47,623	0	0
Actions during September 1942:														
Benefits awarded	23,530	421,634	8,875	209,882	3,000	37,364	7,287	89,149	1,341	26,857	2,895	56,619	132	1,763
Entitlements terminated [5]	4,128	73,318	1,494	34,974	693	8,446	1,103	13,816	82	1,557	746	14,401	10	124
Net adjustments [6]	116	2,978	27	888	16	220	54	1,231	0	9	19	622	0	8
In force as of Sept. 30, 1942	645,688	11,740,243	297,184	6,805,537	83,804	1,021,593	170,848	2,081,700	25,186	508,400	65,873	1,286,707	2,793	36,306
Current-payment status	568,363	10,260,849	252,058	5,788,869	73,638	901,629	159,621	1,949,206	24,903	502,069	55,367	1,082,995	2,776	36,081
Deferred-payment status	2,460	47,975	1,757	37,712	275	3,138	190	2,114	109	2,599	128	2,392	1	20
Conditional-payment status	74,865	1,431,419	43,369	978,956	9,891	116,826	11,037	130,380	174	3,732	10,378	201,320	16	205
Suspensions [3]	59,358	1,094,053	34,555	745,226	7,585	85,508	9,352	109,806	103	2,220	7,747	151,088	16	205
Frozen benefits [4]	15,507	337,366	8,814	233,730	2,306	31,318	1,685	20,574	71	1,512	2,631	50,232	0	0

[1] Represents total benefits awarded after adjustment for subsequent changes in number and amount of benefits (see footnote 6) and terminations (see footnote 5), cumulative from January 1940, when monthly benefits were first payable.

[2] Benefit in current-payment status is subject to no deduction from current month's benefit or only to deduction of fixed amount which is less than current month's benefit; benefit in deferred-payment status is subject to deduction of fixed amount which equals or exceeds current month's benefit; benefit in conditional-payment status is subject to deduction of entire benefit for current and each subsequent month for indefinite period.

[3] Represents benefits which have previously been in current or deferred-payment status.

[4] Represents benefits which have never been in current or deferred-payment status.

[5] Terminations may be for following reasons: primary benefit—beneficiary's death; wife's benefit—beneficiary's death, death of husband, divorce, or entitlement of beneficiary to equal or larger primary benefit; child's benefit—beneficiary's death, marriage, adoption, or attainment of age 18; widow's benefit—beneficiary's death, remarriage, or entitlement to equal or larger primary benefit; widow's current benefit—beneficiary's death, remarriage, entitlement to widow's benefit or to equal or larger primary benefit, or termination of entitlement of last entitled child; parent's benefit—beneficiary's death, marriage, or entitlement to other equal or larger monthly benefit.

[6] Adjustments in amount of monthly benefit may result from entitlement of an additional beneficiary or termination of entitlement of an existing beneficiary when maximum provisions of sec. 203 (a) of the 1939 amendments are effective or from termination of entitlement of an existing beneficiary when minimum provision of sec. 203 (b) consequently becomes effective; adjustments in number or amount may also result from actions not otherwise classified.

Table 3.—*Monthly benefits and lump-sum death payments certified, by type of payment, September 1942 and cumulative, January–September 1942*

Type of payment	September 1942: Number of beneficiaries [1]	September 1942: Amount certified	September 1942: Percentage distribution: Beneficiaries	September 1942: Percentage distribution: Amount	Total amount certified January–September 1942
Monthly benefits [2]	577,320	[3]$10,945,924	100.0	100.0	[3]$88,435,989
Primary	256,215	6,073,632	44.4	55.5	49,865,071
Supplementary	85,005	1,067,737	14.7	9.7	8,734,778
Wife's	74,838	952,871	12.9	8.7	7,733,059
Child's	10,167	114,866	1.8	1.0	1,001,719
Survivor's	236,100	3,804,555	40.9	34.8	29,836,140
Widow's	24,993	549,559	4.3	5.0	3,988,073
Widow's current	56,579	1,204,789	9.8	11.0	9,741,067
Child's	151,735	2,008,356	26.3	18.4	15,791,201
Parent's	2,793	41,851	.5	.4	315,799
Lump-sum death payments	[4]10,774	1,528,552			11,329,215
Under 1939 amendments [5]	10,667	1,525,072			11,266,285
Under 1935 act [6]	107	3,480			62,930

[1] Differs from number in current-payment status, which takes account of changes in status effective after certification.
[2] Distribution by type of benefit estimated. Estimates revised February 1942.
[3] Includes retroactive payments.
[4] Represents number of deceased workers on whose wages payments were based.
[5] Payable with respect to workers who died after Dec. 31, 1939, in cases in which no survivor could be entitled to monthly benefits for month in which worker died.
[6] Payable with respect to workers who died prior to Jan. 1, 1940.

As compared with September 1941, the distribution of monthly benefits certified, by type of payment, has changed somewhat. In September 1942, payments to primary and supplementary beneficiaries comprised smaller proportions of both the number and the amount certified, while payments to survivors accounted for a somewhat greater part of the totals. The largest relative change occurred in survivor benefits, the only category not affected by the continuance in the labor market of workers who are eligible for retirement benefits. Survivors comprised 41 percent of all beneficiaries in September 1942, as compared with 37 percent a year earlier.

On the basis of preliminary data for October, it is estimated that $11.0 million was certified for 588,000 monthly beneficiaries. Of the total amount, about $6.1 million was certified for 259,000 primary beneficiaries, $1.1 million for 86,200 supplementary beneficiaries, and $3.9 million for 242,500 survivors. More than $1.2 million was certified in lump-sum death payments based on the wage records of 8,800 deceased wage earners.

Operations Under the Railroad Retirement Act*

During October a net addition of 219 monthly benefits of all types was made to the retirement rolls, bringing the total number in force to 158,283 (table 1). The amount payable in monthly benefits for October was $10.1 million, and the net amount certified to the Treasury, including retroactive payments and lump-sum death-benefit payments, was $10.8 million. Cumulative certifications through the end of the month amounted to $600 million.

Employee annuities.—In all, 1,456 applications for employee annuities were received in October, of which 918 or 63 percent were active applications, that is, cases in which the applicant had already stopped working and for which the beginning date of the annuity was not more than 30 days in the future. At the end of the month, 21,440 claims had not yet been acted on, 5,113 of them active cases. Inactive claims, which become active when the applicant retires but no earlier than 30 days before his annuity can accrue, can often be more promptly adjudicated because of information which the Board already has in its files.

The 1,219 employee annuities certified in October represented a decrease of 8 percent from the average for the 3 preceding months and of 10 percent from the average for the entire fiscal year 1941–42.

Deaths reported to the Board in October terminated 701 employee annuities. Fifty-five annuities were suspended because the annuitant returned to work for an employer under the act or for the last person by whom he was employed before his annuity payments became effective. This was the largest number of annuities suspended for this reason in a single month and reflected the efforts of the employment service to get annuitants back to work during the war period. By the end of the month, a cumulative total of 37,360 annuities had been terminated by death and 498 by return to service. Of the latter, 278 had been reinstated, so that 220 annuitants were actually off the rolls by reason of their reemployment. This number does not include individuals working outside the railroad industry for persons other than their latest former employer, since such

*Prepared by the Office of Director of Research, Railroad Retirement Board, in collaboration with the Bureau of Research and Statistics, Social Security Board.

Table 1.—*Railroad retirement: Number and amount of annuities and pensions in force and net benefit payments certified to the Secretary of the Treasury, by class of benefit, October 1942* [1]

Period and administrative action	Total		Employee annuities		Pensions to former carrier pensioners		Survivor annuities		Death-benefit annuities [2]	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
In force as of Sept. 30, 1942	158,064	$10,114,481	127,467	$8,410,556	26,811	$1,579,794	3,161	$101,793	625	$22,336
During October 1942:										
Initial certifications	1,310	82,042	1,219	79,030			32	942	59	2,070
Terminations by death (deduct)	1,043	65,405	701	47,479	272	15,588	5	136	65	2,200
In force as of Oct. 31, 1942	158,283	10,130,794	127,936	8,441,701	26,540	1,564,314	3,187	102,537	620	22,241
Total payments (net)		[3] 10,790,641		8,753,918		1,554,159		105,254		28,544

[1] For definitions of classes of benefit, see the Bulletin, October 1942, p. 25. Data for initial certifications are for period in which payment was first certified and not for that during which it began to accrue. Data for terminations by death are for period in which notice of death was received and not for period in which beneficiary died. In-force data represent certifications less terminations by death; they are adjusted for recertifications, reinstatements, and terminations for reasons other than death (suspension, return to service, recovery from disability, commutation to lump-sum payment). Certifications are reported on an accounting-month basis ended on approximately the 20th, terminations are reported through the 10th, and total payments are on calendar-month basis. Cents omitted.

[2] In a few cases, payments are made to more than 1 survivor on account of death of 1 individual; such payments are counted as single items. Terminations include those by death and by expiration of 12-month period for which death-benefit annuities are payable; nearly all terminations are of latter type.

[3] Includes $348,765 for lump-sum death benefits.

individuals are not required to give up their annuities as a condition of reemployment.

The number of annuitants on the rolls increased by 469 during the month, to a total of 127,936. The monthly amount payable to them was $8.4 million or an average of $65.98.

Pensions.—No new pensioners were added to the rolls, but 272 were removed because of death. Since the beginning of the fiscal year, only 1 new pension has been certified and 1,038 have been terminated by death. Of the total of 48,578 pensions certified, 26,540 were in force at the end of the month, at an average monthly amount of $58.94.

Survivor payments.—At the end of October the Board was paying 3,187 survivor annuities at a total monthly rate of $103,000, and 620 death-benefit annuities under the 1935 act at a rate of $22,200. The former are lifetime annuities; the latter are payable for 12 months only.

Lump-sum death benefits were certified during the month to survivors of 985 deceased individuals, at an average of $334.61. The total number certified since the beginning of operations was 60,058 and the average amount $190.76.

Military Service

Between September 8, 1939, when the President proclaimed the existence of a national emergency, and June 30, 1942, approximately 80,000 railroad employees had served in the armed forces for a total of 587,000 man-months. The legislation enacted April 8, 1942, amending the Railroad Retirement Act to provide for crediting such service, provided also that the Federal Government should pay the entire cost of the portion of the annuity or death benefit which is based on military service. This program will be financed by special congressional appropriations based on Board estimates of additional obligations incurred because of the military service (see the Bulletin, November 1942, pp. 73–74). The appropriations to be requested for the fiscal years 1940–41 and 1941–42 are $790,000 and $4.8 million, respectively, exclusive of interest to be accumulated at 3 percent. The cost of military service in the fiscal year 1939–40 was only $9,000.

Certifications.—Annuities based in part on military service prior to 1937 were not certified until the fiscal year 1941–42; by the end of June 1942 a total of 105 certifications had been made. For the 89 annuities certified on a final basis, the additional cost to be borne by the Federal Government was estimated at $461,000 exclusive of interest. The cost of the 16 annuities certified on a partial basis will be computed when final certification is effected.

Among the 105 annuities certified, the largest group—52 in all—was certified for individuals under age 60 who, because of their military service, became eligible for disability annuities, without reduction, based on 30 years' service. These individuals gained most from the amendment, since they would otherwise have been ineligible. Lacking from 1 to 20 months of railroad service required to establish the 30 years necessary to qualify for a full disability annuity, they would not have become eligible until age 60 and then only for an annuity reduced by one-third. The average age of the annuitants in this group was 51 years, and the average annuity $78.92, while at age 60 the

average annuity based on railroad service alone would have been only $51.78.

Military-service credit for 31 individuals who had attained age 65 resulted in an average increase of about $4 in their monthly single-life annuity. Nine of the military-service certifications were for individuals who were eligible for reduced disability annuities computed on the basis of less than 30 years of employer service, but who did not have sufficient military service to bring the total to 30 years. These individuals continued to receive reduced annuities at a slightly increased rate. Seven other certifications were for individuals who likewise were eligible for reduced disability annuities but who had sufficient military service to increase the total to 30 years, thus eliminating the reduction and resulting in an average increase in the amount of annuity of about $17.50. Finally, in six cases the applicants, otherwise ineligible, became eligible for reduced age annuities because their military service raised the total to 30 years.

The Board has not yet certified any annuities or lump-sum death benefits in which current military service has served to increase the benefit. Action is pending on a few death benefits of this type, but in some of these a pension paid by the Veterans Administration may exceed any possible increase in the railroad retirement benefit.

Applications.—The 105 certifications were less than 10 percent of the applications received thus far. The Board's experience indicates that relatively few annuity applications with claims for military service prior to 1937 will be received until large numbers of men who served in World War I attain age 65. By June 30, 1942, only 1,284 claims had been received. Of these, 8 percent were claims for service in the Philippine Insurrection, 11 percent in the Spanish-American War, 59 percent in World War I, and 12 percent in more than one war period. In the remaining 10 percent, the period was not specified, service was claimed during a nonwar period, or, in a few cases, service was claimed in the Mexican border disturbances.

Denials.—For 515 of the applications received, the employee annuity was denied altogether or was certified as to employer service only, with the claim for military service denied. The major reason for the denial of military-service credit was the applicant's inability to show previous railroad service in the same year in which he claimed military service or in the preceding calendar year. Almost 50 percent of the disallowances were for this reason. In 20 percent, military service could not be counted in computing the annuity, since 30 years of railroad service had already been verified. In 10 percent of the denials, the increase due to military service could not be added to the annuity because the claimant was already receiving payments from the Veterans Administration in excess of the possible increase. If the veteran's pension should be stopped at some time in the future, the annuity would then be increased. An additional 6 percent of the claims were denied because the applicant was ineligible to receive any type of annuity. The remaining claims were disallowed for various reasons, chiefly because the service claimed was not entered upon during a war period, or was performed in a branch of the civilian or reserve services or in the armed forces of a foreign power.

There remained 664 cases that had not yet been disposed of at the end of the year. Many of these cannot be settled for many years, since they involve individuals who, even when credited with the military service claimed, must wait until retirement age before an annuity can be certified.

SOCIAL AND ECONOMIC DATA

BUREAU OF RESEARCH AND STATISTICS

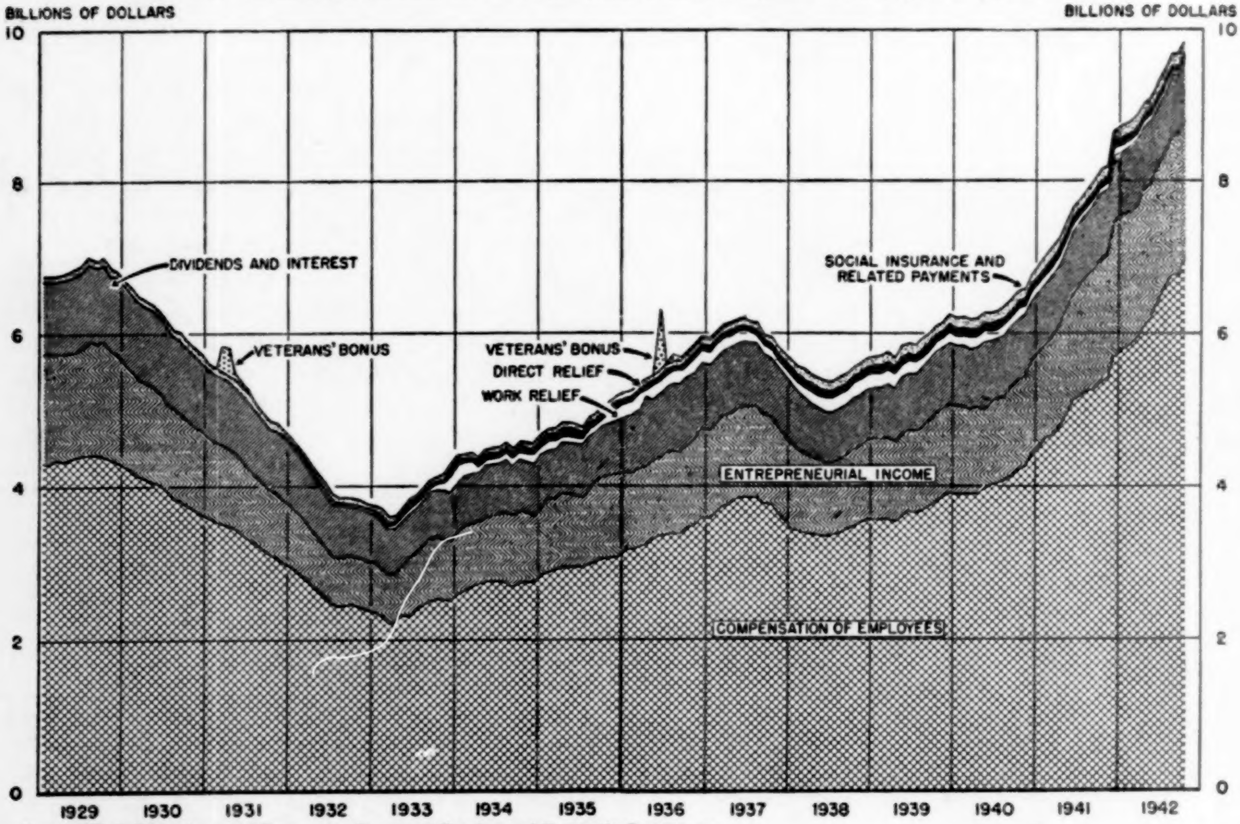
Social Security and Other Income Payments to Individuals

Income payments to individuals in October amounted to $9.8 billion, 1.6 percent more than in September and 21 percent more than in October 1941 (table 1). The major factors in the rise in income payments have been the increases in compensation of employees and in entrepreneurial income. There has been a downward trend in payments for the other components of income payments since the spring of this year.

Compensation of employees amounted to $6.9 billion, 29 percent more than in October of last year. Inasmuch as compensation of employees represented 71 percent of all income payments in October, changes in this segment had a marked effect on the total. The increase in compensation of employees over last October amounted to almost $1.6 billion as compared with an increase in total payments of about $1.7 billion. The increases in governmental pay rolls, particularly in pay for military service, and in the pay rolls of durable-goods manufacturing industries have been primarily responsible for the rise in total wages and salaries.

Compensation of employees now includes, in addition to pay rolls for the armed forces, the governmental allowances for dependents of members of the armed forces. These dependents' payments, first made in September, have been included in compensation of employees' as a supplement to wages. The payments are available to wives and children of members of the armed forces and to parents and certain other dependents. After application has been made and approved for dependents' allowances, the Government deducts

Chart 1.—*Income payments in the continental United States, January 1929–October 1942*



Source: U. S. Department of Commerce, Bureau of Foreign and Domestic Commerce.

Table 1.—*Income payments in the continental United States, by specified period, 1936–42* [1]

[In millions; data corrected to Dec. 4, 1942]

Calendar year and month [2]	Total	Compensation of employees [3]	Entrepreneurial income, net rents, and royalties	Dividends and interest	Work relief [4]	Direct relief [5]	Social insurance and related payments [6]	Veterans' bonus
1936	$68,024	$40,027	$13,003	$9,785	$2,155	$672	$955	$1,427
1937	72,365	44,689	14,162	9,891	1,639	836	1,020	128
1938	66,135	40,845	12,369	8,233	2,094	1,008	1,529	57
1939	70,809	43,981	13,346	8,891	1,870	1,071	1,616	34
1940	76,404	48,639	13,840	9,421	1,577	1,098	1,801	28
1941	92,122	60,782	17,352	9,910	1,213	1,112	1,734	19
1941								
October	8,130	5,363	1,606	850	80	89	140	1
November	8,196	5,405	1,617	863	79	90	140	2
December	8,666	5,678	1,781	879	87	92	148	1
1942								
January	8,746	5,758	1,784	870	77	94	162	1
February	8,815	5,862	1,762	861	72	95	162	1
March	8,846	5,906	1,753	851	75	94	166	1
April	9,011	6,037	1,811	841	68	92	161	1
May	9,064	6,156	1,775	830	58	89	155	1
June	9,277	6,384	1,777	819	53	87	156	1
July	9,436	6,558	1,778	807	45	86	161	1
August	9,599	6,690	1,837	794	35	86	156	1
September	9,665	6,773	1,845	780	30	85	151	1
October	9,822	6,932	1,864	765	28	85	147	1

[1] Compensation of employees, entrepreneurial income, net rents, and royalties, and dividends and interest adjusted for seasonal variation.

[2] For annual and monthly figures 1929–40, see the Bulletin, August 1941, table 1, pp. 74–76.

[3] Wage and salary payments minus deductions for employee contributions to social insurance and related programs. Includes industrial pensions, payments to members of the armed forces, and Government portion of payments to dependents of members of the armed forces.

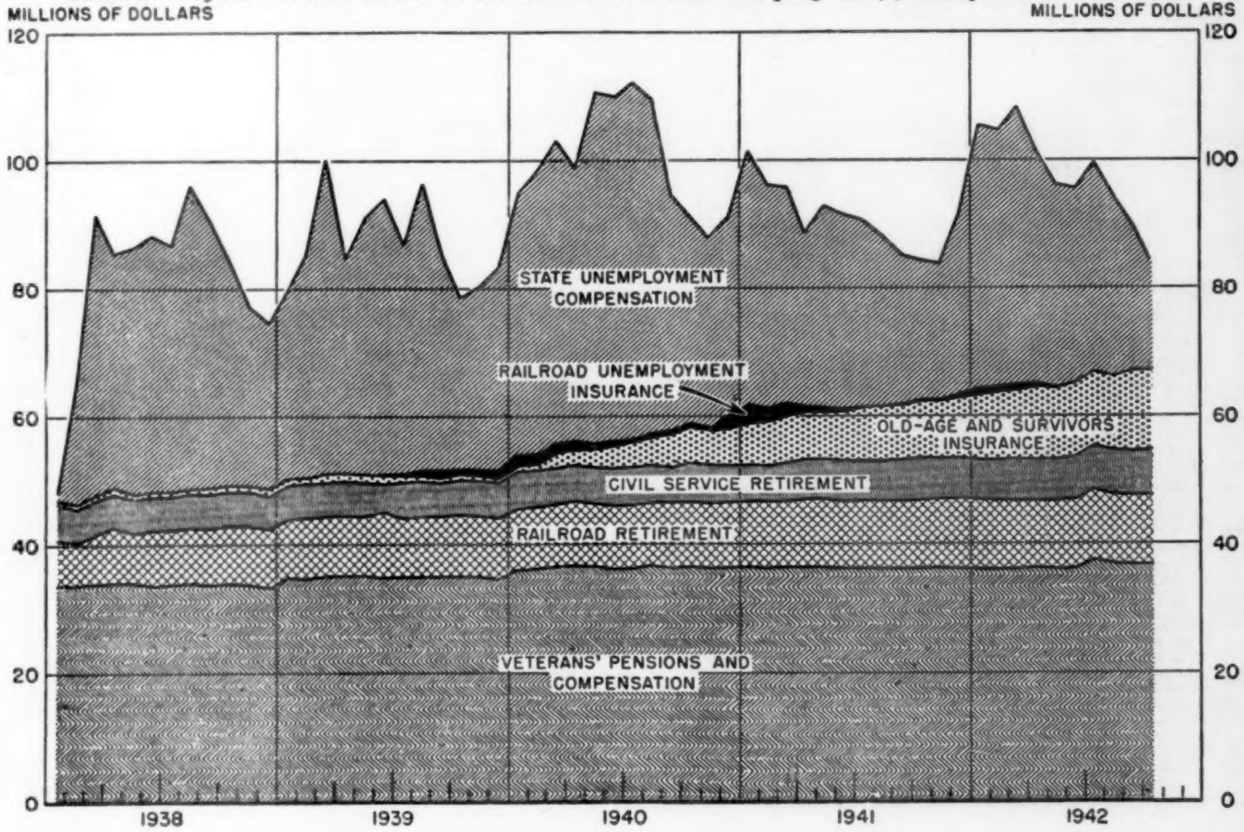
[4] Earnings of persons employed by the NYA, WPA, and CCC (through August 1942). Excludes earnings of persons employed on other Federal agency projects financed from emergency funds; such earnings are included in the column "Compensation of employees."

[5] Payments to recipients under the 3 special public assistance programs and general assistance, the value of food stamps issued by the Agricultural Marketing Administration under the food stamp plan, and subsistence payments certified by the Farm Security Administration.

[6] Represents payments under programs of old-age and survivors insurance, railroad retirement, Federal, State, and local retirement, veterans' pensions, workmen's compensation, State unemployment compensation, and railroad unemployment insurance.

Source: U. S. Department of Commerce, Bureau of Foreign and Domestic Commerce.

Chart 2.—*Payments under selected social insurance and related programs, January 1938–October 1942*



an amount, usually $22, from the pay of the serviceman and adds certain specified amounts, ranging from $28 for wife only to $40 for wife and child plus $10 for each additional child. Additional schedules have been set up for other types of dependents. Allowances to wives and children are compulsory, but payments to other dependents are optional with the serviceman.[1]

Entrepreneurial income, net rents, and royalties amounted to $1.9 billion, an increase of 16 percent over the total for October of last year. The increase in farm incomes has been an important factor in the rise in this class of payments. Cash income from farm products in September of this year was about 37 percent higher than a year ago, because little control had been placed on the prices of farm products.

Of the other segments of income payments, only direct relief, which remained unchanged, failed to decrease from September levels. Dividends and interest decreased 1.9 percent, work relief 6.7 percent, and social insurance and related payments 2.6 percent. Compared with a year ago, only social insurance and related payments were larger.

Social Insurance and Related Payments

Payments amounting to $84.5 million under the selected social insurance programs shown in

[1] For a more detailed discussion of dependents' allowances, see pp. 22-30.

Table 2.—*Payments under selected social insurance and related programs, by specified period, 1936–42* [1]

[In thousands; data corrected to Dec. 3, 1942]

Calendar year and month	Total	Retirement, disability, and survivor payments: Total	Monthly retirement and disability payments [2]: Social Security Act [3]	Monthly retirement and disability: Railroad Retirement Act [4]	Monthly retirement and disability: Civil Service Commission [5]	Monthly retirement and disability: Veterans Administration [6]	Survivor payments, Monthly: Social Security Act [7]	Survivor, Monthly: Railroad Retirement Act [4]	Survivor, Monthly: Veterans Administration [8]	Survivor, Lump-sum: Social Security Act [9]	Survivor, Lump-sum: Railroad Retirement Act [4]	Survivor, Lump-sum: Civil Service Commission [5]	Survivor, Lump-sum: Veterans Administration [10]	Refunds under the Civil Service Commission to employees leaving service [5]	Unemployment insurance payments: Total	Unemployment: State unemployment compensation laws [11]	Unemployment: Railroad Unemployment Insurance Act
1936	$461,760	$458,765	....	$683	$51,630	$299,001	....	$2	$99,992	....	....	$4,062	$3,395	$2,864	$131	$131	....
1937	505,143	499,532	....	40,001	53,694	299,660	....	444	96,370	$1,278	....	4,401	3,684	3,479	2,132	2,132	....
1938	972,926	575,814	....	96,766	56,118	301,277	....	1,383	101,492	10,478	$291	4,604	3,405	3,326	393,786	393,786	....
1939	1,046,005	608,094	....	107,282	58,331	307,512	....	1,451	109,192	13,895	1,926	4,952	3,553	2,846	435,065	429,298	$5,767
1940	1,191,906	654,040	$21,075	114,166	62,019	317,851	$7,784	1,448	105,696	11,734	2,497	5,810	3,960	3,277	534,589	518,700	15,889
1941	1,090,102	726,631	55,141	119,913	64,933	320,561	25,454	1,559	111,799	13,328	3,421	6,170	4,352	4,615	358,856	344,321	14,535
1941																	
Oct	84,382	61,837	5,235	10,114	5,462	26,776	2,498	134	9,313	1,100	303	544	358	484	22,061	21,430	631
Nov	84,056	61,892	5,383	10,199	5,516	26,705	2,579	129	9,350	1,029	256	460	286	489	21,675	21,066	609
Dec	91,749	62,516	5,611	10,189	5,519	26,750	2,736	134	9,245	1,131	362	502	337	460	28,773	27,847	926
1942																	
Jan	105,607	62,670	5,811	10,102	5,557	26,710	2,827	128	9,233	1,267	258	424	353	484	42,453	41,056	1,397
Feb	104,775	62,941	6,074	10,161	5,549	26,669	2,997	133	9,155	1,291	301	274	337	622	41,212	39,884	1,328
Mar	108,187	63,436	6,243	10,223	5,532	26,661	3,109	127	9,173	1,185	306	509	368	465	44,286	43,035	1,251
Apr	101,431	63,952	6,430	10,198	5,572	26,681	3,240	128	9,211	1,397	238	497	360	468	37,011	36,311	700
May	96,280	63,743	6,544	10,068	5,594	26,646	3,312	125	9,182	1,239	256	402	375	514	32,023	31,704	319
June	95,580	64,581	6,660	10,210	5,637	26,658	3,431	141	9,212	1,278	449	547	358	547	30,452	30,226	226
July	99,608	66,278	6,824	10,288	5,677	28,027	3,545	140	9,233	1,186	514	503	341	551	32,779	32,625	154
Aug	94,605	65,685	6,873	10,262	5,743	27,491	3,569	139	9,256	957	389	690	316	445	28,475	28,252	223
Sept	89,658	66,521	7,141	10,257	5,772	27,360	3,805	137	9,251	1,529	299	612	[12] 358	536	22,601	22,395	206
Oct	84,473	66,829	[12] 7,175	10,308	5,802	27,517	[12] 3,863	134	9,486	[12] 1,239	349	609	[12] 347	558	17,086	16,896	190

[1] Data represent payments to individuals and exclude cost of administration. Retirement and survivor payments under Social Security and Railroad Retirement Acts (including retroactive payments) are amounts certified to the Secretary of the Treasury for payment; payments under Railroad Unemployment Insurance Act are amounts certified to the disbursing officers of the Treasury; payments under the Civil Service Commission and Veterans Administration are disbursements minus cancelations; State unemployment insurance payments are checks issued by State agencies.

[2] Old-age retirement benefits under all acts and disability retirement benefits under Railroad Retirement and Civil Service Retirement Acts, and disability payments to veterans.

[3] Primary benefits, wife's benefits, and benefits to children of primary beneficiaries. Partly estimated.

[4] Amounts certified, minus cancelations, during month ended on 20th calendar day through November 1941; December 1941 represents period Nov. 21–Dec. 31; subsequent months are calendar months. Monthly payments to survivors include annuities to widows under joint and survivor elections and 12-month death-benefit annuities to widows and next of kin.

[5] Principally payments from civil-service retirement and disability fund but includes also payments from Canal Zone retirement and disability fund and Alaska Railroad retirement and disability fund administered by the Civil Service Commission. Monthly retirement payments include accrued annuities to date of death paid to survivors. Data for calendar years 1936–39 estimated on basis of data for fiscal years.

[6] Payments to veterans for pensions and compensation.

[7] Widow's benefits, widow's current benefits, parent's benefits, and orphan's benefits. Partly estimated.

[8] Payments to survivors of deceased veterans.

[9] Payments at age 65 for 1937–August 1939, payments with respect to deaths of covered workers prior to Jan. 1, 1940, for entire period, and, beginning January 1940, payments with respect to deaths of covered workers after Dec. 31, 1939. Payments at age 65 totaling $651,000 in 1937, $4.7 million in 1938, and $4.6 million in 1939 are not survivor payments.

[10] Payments for burial expenses of deceased veterans.

[11] Reported by State agencies to the Bureau of Employment Security. Annual figures adjusted for voided benefit checks; monthly figures unadjusted.

[12] Preliminary estimate.

table 2 were 5.8 percent below the September level and 0.1 percent more than in October 1941. The steady increase in payments under the retirement, disability, and survivor programs has only been sufficient to offset the decrease in unemployment insurance payments. While payments under the first type of program were $5.0 million above October of last year, payments under the unemployment insurance programs decreased about $5.0 million for the same period.

Monthly retirement payments under all four programs were above the September levels, but the increases were all less than 1 percent. Compared with a year ago, monthly retirement payments under the Social Security Act had increased 37 percent; under the Civil Service Commission, 6.2 percent; and under the Railroad Retirement and Veterans Administration programs, less than 3 percent.

Monthly payments to survivors changed only slightly from September levels; compared with October 1941, only payments under the Social Security Act—with an increase of 55 percent—evidenced much change. Lump-sum payments under the Railroad Retirement Act increased 17 percent, but under the other three programs they decreased. The decrease under the Social Security Act amounted to 19 percent.

Unemployment insurance payments under the State programs amounted to $16.9 million, 25 percent below the September level and 21 percent below payments of a year ago. Decreases from September, ranging from 7 to 58 percent, occurred in each of the 51 States except Alaska, which reported a 10-percent increase. More than half the States had decreases of between 20 and 40 percent. Railroad unemployment insurance payments continued to decline, and the amount paid out this

Table 3.—*Individuals receiving payments under selected social insurance and related programs, by month, October 1941–October 1942*

[In thousands; data corrected to Dec. 3, 1942]

Year and month	Retirement, disability, and survivor beneficiaries											Separated employees receiving refunds under the Civil Service Commission [9]	Unemployment insurance beneficiaries	
	Monthly retirement and disability beneficiaries				Survivor beneficiaries									
					Monthly			Lump-sum [8]						
	Social Security Act [1]	Railroad Retirement Act [2]	Civil Service Commission [3]	Veterans Administration [4]	Social Security Act [5]	Railroad Retirement Act [6]	Veterans Administration [7]	Social Security Act	Railroad Retirement Act	Civil Service Commission	Veterans Administration		State unemployment compensation laws [10]	Railroad Unemployment Insurance Act [11]
1941														
October	253.4	151.8	67.8	621.5	154.0	3.6	318.2	8.0	1.1	0.6	3.5	3.4	430.0	12.9
November	261.3	152.5	68.4	621.6	160.4	3.6	318.6	7.5	1.0	.5	3.0	4.3	470.6	13.4
December	271.5	152.9	68.6	622.7	168.5	3.6	318.5	8.2	1.2	.5	3.2	3.5	523.0	22.4
1942														
January	282.5	152.8	69.3	622.3	176.1	3.6	317.9	9.1	.9	.5	3.5	4.1	796.6	35.1
February	292.9	153.3	69.1	622.5	185.2	3.6	315.4	9.3	1.0	.3	3.3	4.2	837.6	33.6
March	301.5	153.5	69.2	622.8	192.3	3.6	315.5	8.6	1.0	.6	3.8	4.2	803.1	29.2
April	310.6	153.8	69.3	622.7	200.8	3.6	315.7	10.1	1.0	.6	3.7	4.3	668.3	16.9
May	316.8	153.4	69.7	622.9	207.9	3.6	316.6	9.0	.8	.5	3.5	4.9	609.7	7.2
June	322.3	153.3	70.0	623.0	215.3	3.6	316.8	9.2	1.4	.6	3.5	5.1	552.7	4.7
July	328.7	153.8	70.4	623.1	222.5	3.7	317.6	8.5	1.3	.5	3.6	5.5	574.9	3.3
August	333.2	153.8	70.9	623.5	226.7	3.8	318.5	6.9	1.3	.8	3.3	4.8	543.0	4.6
September	341.2	154.3	71.4	623.1	236.1	3.8	315.5	10.8	1.1	.7	3.5	6.3	422.7	4.3
October	[12] 345.4	154.5	71.7	623.6	[12] 242.5	3.8	315.8	[12] 8.8	1.0	.7	3.4	7.7	310.4	3.9

[1] Primary beneficiaries and their wives and children, for whom monthly benefits were certified to the Secretary of the Treasury during month.

[2] Employee annuitants and pensioners on roll as of 20th of month; includes disability annuitants.

[3] Annuitants under Civil Service, Canal Zone, and Alaska Railroad Retirement Acts; represents age and disability retirements, voluntary and involuntary retirements. Includes persons receiving survivor benefits under joint and survivor elections, numbering 62 in September 1942. Figures not adjusted for suspension of annuities of persons reemployed under the National Defense Act of June 28, 1940, or Act of Jan. 24, 1942, numbering 901 in September 1942.

[4] Veterans receiving pensions and compensation during month.

[5] Widows, parents, and orphans for whom monthly benefits were certified to the Secretary of the Treasury during month.

[6] Widows receiving survivor benefits under joint and survivor elections and next of kin receiving death-benefit annuities for 12 months; number on roll as of 20th of month. Widows receiving both survivor and death-benefit annuities are counted twice, but 2 or more individuals sharing 1 death benefit annuity are counted as 1.

[7] Widows, children, and parents of deceased veterans on whose account payments were made during month.

[8] For Social Security Act, deceased wage earners whose survivors received payments under either the 1935 or 1939 act; for Railroad Retirement Act, deceased wage earners on whose account payments to survivors were certified in month ending on 20th calendar day; for Civil Service Commission, employees who died before retirement age and annuitants with unexpended balances whose survivors received payments; for Veterans Administration, survivors, or other persons entitled to reimbursement for expenditures in connection with burial of deceased veterans.

[9] See footnote 3 for programs covered.

[10] Represents average weekly number of benefit recipients.

[11] Represents average number of persons receiving benefits for unemployment during a registration period of 14 consecutive days.

[12] Preliminary estimate.

October was only 30 percent of the amount in October 1941.

Under the retirement, disability, and survivor programs, approximately 1.8 million individuals received monthly benefits amounting to $64.3 million, and 14,000 received lump-sum payments amounting to $2.5 million in October (tables 2 and 3). Payments amounting to $17.1 million were made to 314,000 beneficiaries under the unemployment insurance programs.

Estimated Workmen's Compensation Payments, 1941

Because of its interest in all forms of social

Table 4.—*Estimated workmen's compensation payments, by State, 1940 and 1941* [1]

[In thousands]

State	1940				1941				Percentage change in total payments, 1940-41
	Total	Insurance losses paid, private insurance carriers [2]	State fund, net disbursements [3]	Self-insurance payments [4]	Total	Insurance losses paid, private insurance carriers [2]	State fund, net disbursements [3]	Self-insurance payments [4]	
Total	$257,034	$134,639	$72,634	$49,761	$300,830	$159,837	$80,241	$60,752	+17.0
Alabama	1,054	720		334	1,716	965		751	+62.8
Arizona	1,471	55	1,354	62	1,587	50	1,481	56	+7.9
Arkansas	23	23			720	720			(5)
California	20,341	10,247	5,400	4,694	23,794	12,531	5,772	5,491	+17.0
Colorado	2,490	553	1,170	767	2,757	594	1,277	886	+10.7
Connecticut	3,501	2,976		525	4,493	3,821		672	+28.3
Delaware	323	248		75	417	321		96	+29.1
District of Columbia	1,741	1,339		402	1,783	1,372		411	+2.4
Florida	1,915	1,665		250	2,492	2,167		325	+30.1
Georgia	1,612	1,185		427	2,009	1,477		532	+24.6
Idaho	1,216	183	705	328	1,970	246	1,190	534	+62.0
Illinois	14,785	10,637		4,148	16,607	12,211		4,396	+12.3
Indiana	3,858	2,967		891	4,919	3,784		1,135	+27.5
Iowa	1,922	1,496	52	374	2,171	1,680	57	434	+13.0
Kansas	1,587	1,139		448	1,867	1,337		530	+17.6
Kentucky	3,318	1,347		1,971	3,887	1,578		2,309	+17.1
Louisiana	3,434	2,613		821	3,897	2,911		986	+13.5
Maine	992	833		159	1,217	1,022		195	+22.7
Maryland	2,712	1,702	504	506	3,294	2,274	381	639	+21.5
Massachusetts	7,494	7,144		350	8,681	8,275		406	+15.8
Michigan	8,643	5,006	993	2,644	9,845	5,720	1,015	3,110	+13.9
Minnesota	3,903	2,944	75	884	4,454	3,344	82	1,028	+14.1
Mississippi	11	11			19	19			+72.7
Missouri	4,033	3,120		913	5,179	3,981		1,198	+28.4
Montana	2,093	185	1,210	698	2,274	192	1,324	758	+8.6
Nebraska	1,025	912		113	981	873		108	−4.3
Nevada	827		761	66	906	1	833	72	+9.6
New Hampshire	704	690		14	786	771		15	+11.6
New Jersey	12,700	9,769		2,931	16,000	12,308		3,692	+26.0
New Mexico	580	446		134	646	497		149	+11.4
New York	51,252	30,077	12,772	8,403	57,331	33,276	13,678	10,377	+11.9
North Carolina	1,988	1,539		449	2,714	2,100		614	+36.5
North Dakota	597		597		636	(6)	636		+6.5
Ohio	17,055	45	14,920	2,090	19,315	45	16,818	2,452	+13.3
Oklahoma	3,394	2,253	411	730	3,490	2,362	430	698	+2.8
Oregon	4,273	65	4,208		4,863	145	4,718		+13.8
Pennsylvania	21,293	10,489	2,971	7,833	24,919	11,714	2,944	10,261	+17.0
Rhode Island	1,153	1,027		126	1,669	1,486		183	+44.8
South Carolina	1,235	950		285	1,980	1,523		457	+60.3
South Dakota	278	210	5	63	308	232	5	71	+10.8
Tennessee	1,527	1,123		404	2,190	1,595		595	+43.4
Texas	8,124	8,124			10,355	10,355			+27.5
Utah	1,109	222	689	198	1,273	313	733	227	+14.8
Vermont	362	351		11	425	409		16	+17.4
Virginia	2,469	1,556		913	3,455	2,177		1,278	+39.9
Washington	5,576	80	4,759	737	6,419	154	5,428	837	+15.1
West Virginia	5,756	1	5,608	147	6,116	2	5,961	153	+6.3
Wisconsin	5,815	4,372		1,443	6,525	4,906		1,619	+12.2
Wyoming	422	(6)	422		422	(6)	422		
Federal employees	13,048		13,048		15,057		15,057		+15.4

[1] Data for calendar years, except for Montana, Nevada, North Dakota, Oregon, West Virginia, and Federal employees, for which fiscal years ended in 1940 and 1941 were used. State fund net disbursements of Utah and Maryland are also on this basis. Benefit payments made under the Longshoremen's and Harbor Workers' Compensation Act are included in data for the States in which payments are made.

[2] From the *Spectator*, the Insurance Yearbook, Casualty, Surety, and Miscellaneous, 69th and 70th annual issues; represents net amount of cash and medical benefits paid by private insurance carriers under standard workmen's compensation policies.

[3] Compiled from State data and from the *Spectator;* represents net amount of cash and medical benefits paid by State funds.

[4] Estimated from available State data; represents amounts of cash and medical benefits paid by self-insurers plus amounts of medical benefits paid by employers carrying ex-medical policies.

[5] The increase of more than 1,000 percent in Arkansas is due to the fact that the State law was inoperative until Dec. 5, 1940.

[6] Less than $500.

security protection, the Social Security Board has developed a basis for annual estimates of workmen's compensation payments in the United States. Estimates for the years 1939 and 1940 were presented in the Bulletin for January 1942. "Social insurance and related payments" in table 1 include monthly estimates for workmen's compensation payments based on these annual totals. An estimate of payments for 1941 has now been completed and is presented in table 4.

According to these estimates, workmen's compensation paid in 1941 amounted to $301 million, an increase of 17 percent over 1940. Much of the increase is presumably due to the rapid expansion during 1941 in the numbers of inexperienced workers employed in war industries. According to the Bureau of Labor Statistics, additional factors in the increase in industrial injuries during 1941 resulted from the crowding of workers in factories manufacturing war goods and the failure of safety activities to keep fully abreast of the expanded war program.

In all States except Nebraska and Wyoming payments in 1941 were above the 1940 level. Except for Arkansas, where the large increase was due to the fact that the State law was in operation only 24 days in 1940, the increases ranged from 2 to more than 70 percent, with 23 States showing increases of between 10 and 20 percent. The variations among the States in the relative increase in payments reflect not only the uneven incidence of industrial activity in 1941 but also differences in the lag of workmen's compensation awards as compared with accident rates. The degree of maturity of the State laws also greatly affects the amount of payments for injuries which occurred in prior years. Thus, some States show large increases, because the laws providing workmen's compensation protection are relatively new.

The $301 million paid in benefits in 1941 includes payments not only for deaths or injuries which occurred in 1941 but also for deaths or injuries sustained in previous years. The Department of Labor estimates that 800,000 man-years of employment were lost in 1941 as a result of deaths or injuries of workers; of this total, only 135,000 man-years represent time lost as a result of deaths or injuries in 1941, and the remaining 665,000 represent time lost as a result of deaths or permanent injuries received in previous years.

Financial and Economic Data

Receipts

In October, Federal insurance contributions of $43.9 million were $5.4 million less than in July, the first month of the preceding quarter, and $1.7 million less than in October 1941 (table 2). Contributions during the entire quarter, however, are expected to reach an all-time high; collections in the first half of November had already exceeded the total for any previous month. Furthermore, the Bureau of Labor Statistics unadjusted index of pay rolls in manufacturing during the quarter on which these contributions are based rose from 198.2 in June to 220.5 in September. Collections during the first 4 months of the current fiscal year amounted to $308 million, $55.1 million more than in the same period of 1941 and $109 million more than in July–October 1940.

State unemployment contributions of $143 million in October, $6.3 million more than in July, also indicated high quarterly collections. The increase in these receipts, like that in Federal insurance contributions, reflects expanding wartime employment and rising pay rolls.

Total tax collections under the five selected social insurance programs shown in table 2 amounted to $817 million in the 4 months ended October 31, nearly $84 million more than the comparable total in 1941. About $376 million or 46 percent of this $817 million was included in gross receipts of the general and special accounts of the U. S. Treasury. The other 54 percent consisted of State unemployment contributions which were paid to designated State agencies and the 90 percent of railroad unemployment insurance contributions deposited in the railroad unemployment insurance account. Receipts under each of the five programs were higher for the 4 months ended October 31 than in the comparable period of any previous year.

Federal receipts from all sources amounted to $648 million in October as compared with $489 million in October 1941 and $2,528 million in September 1942 (table 1). The decrease in receipts from the third month of a quarter to the first month of the succeeding quarter is typical, primarily because of the heavy inflow of income-

tax payments in the last month of each quarter. Social security taxes accounted for 7.3 percent of total Federal receipts during the month, slightly more than the 4-month average of 6.8 percent for the current fiscal year. During the corresponding 4 months of 1941 these taxes represented 10.1 percent of total receipts. When the additional and increased taxes levied by the Revenue Act of 1942 are reflected in Federal revenue, the ratio of social security taxes to total receipts may be expected to decline even more sharply.

Expenditures

Federal expenditures in October totaled $5,979 million, more than 2½ times the amount spent in the same month of 1941 (table 1). Expenditures in July–October were more than three times those for the same 4 months of 1941. Expenditures under the Social Security Act in this period of 1942, including net appropriations to the old-age and survivors insurance trust fund, represented only 2.2 percent of total Federal expenditures as compared with 5.9 percent a year earlier. War

Table 1.—*Social security and total Federal receipts, expenditures, and public debt, by specified period, 1936–42*

[In millions]

Period	General and special accounts											Trust accounts, etc.,[7] excess receipts (+) or expenditures (−)	Change in general fund balance	Public debt				
	Receipts of Federal Government				Expenditures[4] of Federal Government						Excess receipts (+) or expenditures (−)							
						Under the Social Security Act		Under the Railroad Retirement Board										
	Total[1]	Social security taxes[2]	Railroad-retirement and unemployment taxes[3]	All other	Total[1]	Administrative expenses and grants to States[5]	Net appropriations and transfers to old-age and survivors insurance trust fund	Administrative expenses[6]	Transfers to railroad retirement account	All other				Total	Old-age and survivors insurance trust fund	Unemployment trust fund[8]	Railroad retirement account	All other
Fiscal year:																		
1936–37	$5, 294	$252	([9])	$5, 042	$8, 442	$183	$265	$1		$7, 993	−$3, 149	+$374	−$128	$36, 425	$267	$312		$35, 846
1937–38	6, 242	604	$150	5, 488	7, 626	291	387	3	$146	6, 799	−1, 384	+306	−338	37, 165	662	872	$66	35, 565
1938–39	5, 668	631	109	4, 928	9, 210	342	503	3	107	8, 255	−3, 542	+890	+622	40, 440	1, 177	1, 267	67	37, 929
1939–40	5, 925	712	126	5, 087	9, 537	379	[10] 539	8	121	8, 490	−3, 612	+137	−947	42, 968	1, 738	1, 710	79	39, 441
1940–41	8, 269	788	144	7, 337	13, 372	447	661	7	124	12, 133	−5, 103	−148	+742	48, 961	2, 381	2, 273	74	44, 233
1941–42	13, 668	1, 016	178	12, 474	33, 265	501	869	10	141	31, 744	−19, 598	−3, 506	+358	72, 422	3, 202	3, 139	92	65, 989
4 months ended:																		
October 1940	2, 010	211	34	1, 765	3, 339	172	188	2	56	2, 921	−1, 330	+189	+29	44, 137	1, 871	1, 821	85	40, 360
October 1941	2, 634	266	41	2, 327	7, 328	191	245	3	78	6, 811	−4, 694	+80	+8	53, 584	2, 546	2, 538	112	48, 388
October 1942	4, 766	323	52	4, 391	22, 543	204	299	3	146	21, 891	−17, 777	−800	+1, 905	92, 904	3, 403	3, 397	196	85, 908
1941																		
October	489	48	1	440	2, 126	56	43	1	32	1, 994	−1, 637	−225	+376	53, 584	2, 546	2, 538	112	48, 388
November	730	175	5	550	2, 024	40	166	1		1, 817	−1, 294	−484	−322	55, 040	2, 536	2, 706	102	49, 696
December	1, 214	6	36	1, 172	2, 544	33	2	1		2, 508	−1, 329	−328	+1, 241	57, 938	2, 736	2, 732	91	52, 379
1942																		
January	614	51	1	562	2, 664	56	36	1	32	2, 539	−2, 050	−633	−610	60, 012	2, 726	2, 771	112	54, 403
February	937	253	4	680	2, 808	37	179	1		2, 591	−1, 871	+114	+612	62, 381	2, 761	2, 923	102	56, 595
March	3, 548	5	44	3, 499	3, 422	31	1	1		3, 389	+126	−234	−66	62, 419	2, 923	2, 910	91	56, 495
April	732	42	1	689	3, 790	49	37	1	32	3, 671	−3, 058	−126	−642	64, 961	2, 913	2, 914	112	59, 022
May	764	213	9	542	4, 155	53	201	1		3, 900	−3, 391	−257	−39	68, 571	2, 927	3, 106	102	62, 436
June	2, 494	5	37	2, 452	4, 531	11	1	1		4, 518	−2, 037	−1, 635	+179	72, 422	3, 202	3, 139	92	65, 989
July	794	52	1	741	5, 208	79	47	1	113	4, 968	−4, 413	−4	+296	77, 136	3, 192	3, 162	195	70, 587
August	797	220	12	565	5, 425	41	209	1		5, 174	−4, 628	−54	−134	81, 685	3, 197	3, 352	184	74, 952
September	2, 528	4	39	2, 485	5, 932	21	1	1		5, 909	−3, 404	−245	+1, 148	86, 483	3, 415	3, 350	173	79, 536
October	648	47	1	600	5, 979	63	41	1	34	5, 840	−5, 331	−496	+594	92, 904	3, 403	3, 397	196	85, 908

[1] Beginning July 1940, appropriations to old-age and survivors insurance trust fund minus reimbursements to the Treasury for administrative expenses are excluded from net receipts and expenditures of general and special accounts of the Treasury. These net appropriations are included here in both total receipts and expenditures for comparison with previous periods.

[2] Represents collections under the Federal Insurance Contributions Act and Federal Unemployment Tax Act.

[3] Represents total collections under the Carriers Taxing Act and 10 percent of collections under the Railroad Unemployment Insurance Act (see table 2, footnote 5).

[4] Excludes public-debt retirement. Based on checks cashed and returned to the Treasury.

[5] Excludes funds for vocational rehabilitation program of the Office of Education and for disease and sanitation investigations of the Public Health Service (see table 3, footnote 1); prior to Jan. 1, 1942, excludes grants to States for employment service administration under the Wagner-Peyser Act. Such grants are included in "all other"; since Jan. 1, 1942, includes Federal expenditures for operation of employment services in the States. Also excludes administrative expenses incurred by the Treasury prior to July 1940 in administration of title II of the Social Security Act and the Federal Insurance Contributions Act. Includes expenses incurred by the Social Security Board in administration of the Wagner-Peyser Act, beginning July 1940.

[6] Includes expenditures for administration of railroad unemployment insurance, amounting to $500,000 in 1938–39, $4,987,000 in 1939–40, $3,397,000 in 1940–41, $2,506,000 in 1941–42, and $652,000 for 1942–43; also includes $6,943,000 expended since April 1941 for acquisition of service and compensation data of railroad workers in accordance with Public Res. 102, approved Oct. 9, 1940.

[7] Includes all trust accounts, increment resulting from reduction in weight of gold dollar, expenditures chargeable against increment on gold (other than retirement of national bank notes), and receipts from seigniorage.

[8] Beginning July 1939, contains separate book account for railroad unemployment insurance account and for each State employment security agency.

[9] Less than $500,000.

[10] Excludes amounts reimbursed to the Treasury for administrative expenses, which were part of transfer.

Source: Compiled from data in the Daily Statement of the U. S. Treasury.

expenditures are expected to increase so rapidly that the estimated total for the fiscal year 1942–43 is nine times the total expended in 1939–40, according to the Director of the Bureau of the Budget, who reports that, "94.8 cents of every 1943 Federal dollar expended are to be used for paying war cost and meeting interest requirements on the public debt, and only 5.2 cents for all the other services of the Government." [1]

The marked decrease in total Federal receipts during October coupled with the rise in disbursements resulted in an excess of $5,331 million in expenditures over receipts and brought the excess for the first 4 months of the fiscal year to $17,777 million. The public debt rose from $72,422 million as of June 30 to $92,904 million as of October 31. Net investments acquired by the old-age and survivors insurance and the unemployment trust funds during the 4-month period amounted to $459 million, or 2.2 percent of the increase in the public debt. The combined investments of the two funds totaled $6,800 million at the end of October, or 7.4 percent of the interest-bearing public debt.

The continued decline in the computed rate of interest on the interest-bearing public debt brought the rate to 2.129 percent at the end of October, as compared with 2.159 percent a month earlier and 2.465 percent a year earlier. This average rate, which determines the yield on special obligations issued to social security trust funds, has declined almost constantly since September 1941—chiefly as a result of the sale of tax-anticipation notes and the large sale of other issues at relatively low interest rates. Tax-savings notes sold in October amounted to $921 million, bringing the total sold in the current fiscal year to $2,657 million. War-savings bonds sold in October totaled $814 million; in July–October they totaled $3,288 million. October was the second consecutive month in which the quota for war-savings bond sales was exceeded, chiefly through the pay-roll savings plan established throughout the country. The Secretary of the Treasury has announced that more than 20 million workers are investing more than 8 percent of their earnings in war bonds each pay day.

The computed rate of interest on the public debt has fluctuated between 2¼ and 2⅛ percent since July 1942; therefore, all special obligations acquired by the old-age and survivors insurance trust fund and the unemployment trust fund during August–October have borne interest at 2⅛ percent. Several issues of publicly offered Government bonds were selling during this period at market prices yielding more than 2⅛ percent

Table 2.—*Social insurance taxes under selected programs, by specified period, 1936–42*

[In thousands]

Period	Old-age and survivors insurance		Unemployment insurance		
	Federal insurance contributions [1]	Taxes on carriers and their employees [2]	State unemployment contributions [3]	Federal unemployment taxes [4]	Railroad unemployment insurance contributions [5]
Cumulative through October 1942	$3,738,418	$737,704	$5,094,963	[6] $588,663	$226,307
Fiscal year:					
1936–37	194,346	345	(7)	[6] 57,751	--------
1937–38	514,406	150,132	(7)	[6] 90,104	--------
1938–39	530,358	109,257	803,007	100,869	--------
1939–40	604,694	120,967	853,955	107,523	49,167
1940–41	690,555	136,942	888,450	97,677	68,162
1941–42	895,619	170,012	1,093,901	119,944	84,738
4 months ended:					
October 1940	199,152	32,535	323,703	11,967	16,279
October 1941	253,380	38,678	409,050	12,790	18,812
October 1942	308,441	50,050	419,186	14,795	24,241
1941					
October	45,674	1,058	148,239	2,169	86
November	168,458	5,202	119,673	6,808	939
December	4,323	33,866	10,447	1,267	19,209
1942					
January	38,579	1,277	154,912	12,710	107
February	181,446	4,161	122,536	71,269	786
March	2,773	41,574	5,471	1,995	22,351
April	39,173	1,206	122,109	2,853	5
May	203,740	9,023	143,747	9,302	684
June	3,747	35,025	5,955	952	21,845
July	49,371	977	136,883	2,842	87
August	211,685	11,455	132,780	8,452	1,600
September	3,435	36,491	6,291	882	22,448
October	43,949	1,126	143,232	2,619	106

[1] Tax effective Jan. 1, 1937, based on wages for employment as defined in Internal Revenue Code (ch. 9, subch. A, sec. 1426), payable by employers and employees.

[2] Tax effective Mar. 1, 1936, based on wages for employment as defined in Carriers Taxing Act, payable by carriers and employees.

[3] Represents contributions plus penalties and interest collected from employers and contributions from employees, deposited in State clearing accounts. For differences in State rates, see p. 59, table 4, footnote 1. Data include contributions based on wages from railroad industry prior to July 1, 1939. Subsequent transfers from State accounts to railroad unemployment insurance account in unemployment trust fund, amounting to $105,900,769 are not deducted. Figures reported by State agencies, corrected to Nov. 25, 1942.

[4] Tax effective Jan. 1, 1936, based on wages for employment as defined in Internal Revenue Code (ch. 9, subch. C, sec. 1607), payable by employers only. Amounts represent Federal tax collections after deduction for amounts paid into State unemployment funds on covered wages.

[5] Tax effective July 1, 1939, based on wages for employment as defined in Railroad Unemployment Insurance Act, payable by employers only. Computed from data in Daily Statement of the U. S. Treasury. Represents 10 percent which is deposited with the Treasury and appropriated to railroad unemployment insurance administration fund for expenses of the Railroad Retirement Board in administering act, and 90 percent which is deposited in railroad unemployment insurance account in unemployment trust fund and is not included in receipts of general and special accounts of the Treasury. Amounts, therefore, differ from figures on p. 86, table 1, which represent only the 10 percent deposited with the Treasury.

[6] Includes $40,561,886 subsequently refunded to States which did not collect taxes on 1936 pay rolls and in which employers paid full tax to the Federal Government.

[7] Not available.

[1] *Trends in Nonwar Federal Expenditures*, H. Doc. 870, pp. 4, 8.

to call. The average yield on outstanding Treasury bonds due or callable after 12 years rose from 1.94 percent in the first week of June to 2.04 percent for the week ended September 26. The average interest rate on investments held by the old-age and survivors insurance trust fund was 2.47 percent as of October 31, as compared with 2.69 percent as of October 31, 1941, while the average rate on unemployment trust fund investments was 2.25 percent on October 31, as compared with 2.50 percent last year.

Table 3.—*Federal appropriations and expenditures for administrative expenses and grants to States under the Social Security Act, by specified period, 1941–43* [1]

[In thousands]

Item	Fiscal year 1941–42		Fiscal year 1942–43	
	Appropriations [2]	Expenditures through October [3]	Appropriations [2]	Expenditures through October [3]
Total	$503,829	$190,945	$544,688	$203,844
Administrative expenses	26,129	10,503	27,128	10,659
Federal Security Agency, Social Security Board [4]	25,655	8,189	26,642	8,232
Department of Labor, Children's Bureau	364	126	376	112
Department of Commerce, Bureau of the Census	110	31	110	132
Department of the Treasury [5]	(6)	2,157	(6)	2,182
Grants to States	477,700	180,441	517,560	193,185
Federal Security Agency	466,500	176,657	506,360	190,038
Social Security Board	455,500	171,768	495,360	184,397
Old-age assistance	300,000	109,629	329,000	119,356
Aid to dependent children	74,000	26,785	78,000	29,433
Aid to the blind	9,000	3,123	8,710	3,385
Unemployment compensation administration	72,500	[7] 32,231	79,650	[7] 32,223
Public Health Service:				
Public health work	11,000	4,889	11,000	5,641
Department of Labor, Children's Bureau	11,200	3,784	11,200	3,147
Maternal and child health services	5,820	1,841	5,820	1,444
Services for crippled children	3,870	1,230	3,870	1,077
Child welfare services	1,510	713	1,510	627

[1] Excludes some funds appropriated and expended under the Social Security Act, because they are not separated from other Federal funds for similar purposes. Such is the case with funds for vocational rehabilitation for which $112,000 was appropriated for 1941–42 and $95,120 for 1942–43 for administration in the Office of Education, and $2,650,000 for 1941–42 and $2,800,000 for 1942–43 for grants to States. For disease and sanitation investigations of the Public Health Service, appropriations were $1,742,481 for 1941–42 and $1,419,680 for 1942–43 in addition to grants to States shown in this table.

[2] Excludes unexpended balance of appropriations for previous fiscal year. Appropriations for 1941–42 include additional appropriation of $40,000,000 approved Apr. 28, 1942.

[3] Based on checks cashed and returned to the Treasury. Includes expenditures from reappropriated balance of appropriations for previous fiscal year.

[4] Includes amounts expended by the Board in administration of title II of the act, reimbursed to general fund of the Treasury. Includes amounts for administration of the Wagner-Peyser Act prior to Jan. 1, 1942. See footnote 7.

[5] Represents amounts expended by the Treasury in administration of title II of the Social Security Act and the Federal Insurance Contributions Act, reimbursed to general fund of the Treasury.

[6] Not available.

[7] Prior to Jan. 1, 1942, includes grants certified by the Social Security Board to States for employment service administration to meet requirements of unemployment compensation program, and excludes grants to States for employment service administration under the Wagner-Peyser Act. Since Jan. 1, 1942, includes grants for unemployment compensation administration and Federal expenditures for operation of employment services in the States.

Source: Various Federal appropriation acts (appropriations); Daily Statement of the U. S. Treasury (expenditures).

Total Federal expenditures for grants to States and administrative expenditures under the Social Security Act amounted to $62.9 million in October and brought the total for the first 4 months of the current fiscal year to $204 million, $12.9 million more than in the corresponding period of 1941–42 (table 3). Grants for old-age assistance accounted for $119 million, or 59 percent of total Federal expenditures under the act during July–October 1942, and were $9.7 million more than such expenditures for the corresponding period last year. Grants for maternal and child welfare services during the 4 months of the current fiscal year were less than in the same period last year. Grants for unemployment compensation administration were $8,000 less than in July–October 1941, while grants increased for the remaining programs shown in table 3.

Old-Age and Survivors Insurance Trust Fund

Appropriations to the trust fund, which are equal to insurance contributions collected, amounted to $43.9 million in October; for the first 4 months of the fiscal year these appropriations totaled $308 million (table 4). As in previous months, one-third of the quarterly reimbursement for administrative expenses was deducted from the total assets of the fund in October in advance of actual repayment to the Treasury. The October deduction of more than $2.5 million indicated a total reimbursement during the quarter of approximately $7.6 million, or $792,000 more than in the preceding quarter.

In October, 3-percent special old-age reserve account notes, 1943 series, amounting to $12 million were redeemed, and the entire sum was made available to the account of the disbursing officer of the Treasury. Interest of $100,000 on the redeemed notes was credited to the fund account. No new securities were acquired during the month.

Old-age and survivors insurance benefit payments during October, on a checks-cashed basis, were $11.9 million, an increase of 1.4 percent over September payments. Assets of the fund increased $29.6 million from September 30 to October 31, to a total of $3,482 million.

Railroad Retirement Account

A total of $33.5 million was transferred from the

Table 4.—*Status of the old-age and survivors insurance trust fund, by specified period, 1936–42*

[In thousands]

Period	Receipts		Expenditures		Assets			
	Transfers and appropriations to trust fund [1]	Interest received [2]	Benefit payments [3]	Reimbursement for administrative expenses	Net total of Treasury notes and bonds acquired [4]	Cash with disbursing officer at end of period	Credit of fund account at end of period [5]	Total assets at end of period
Cumulative through October 1942	$3,597,200	$214,965	$255,446	$75,206	[6] $3,403,095	$31,487	$46,932	$3,481,514
Fiscal year:								
1936–37	265,000	2,262	27		267,100	73	62	267,235
1937–38	387,000	15,412	5,404		395,200	1,931	113,012	777,243
1938–39	503,000	26,951	13,892		514,900	3,036	66	1,180,302
1939–40	550,000	42,489	15,805	12,288	560,900	6,098	500	1,744,698
1940–41	688,141	55,958	64,342	26,840	642,500	10,778	6,238	2,397,615
1941–42	895,619	71,007	110,281	26,766	821,034	20,384	5,176	3,227,194
4 months ended:								
October 1940	196,738	146	15,502	9,070	132,500	10,426	35,985	1,917,011
October 1941	253,380	218	31,719	8,814	165,400	14,040	50,640	2,610,680
October 1942	308,441	886	45,696	9,312	[6] 201,461	31,487	46,932	3,481,514
1941								
October	45,674	88	8,289	2,210	−10,000	14,040	50,640	2,610,680
November	168,458	113	8,406	2,210	−10,000	15,631	217,005	2,768,637
December	4,323	241	9,070	2,210	200,400	16,530	8,992	2,761,921
1942								
January	38,579	160	9,266	2,142	−10,000	17,260	45,601	2,789,261
February	181,446	190	9,639	2,142	34,334	17,614	180,422	2,959,117
March	2,773	460	10,275	2,142	162,600	17,309	9,289	2,949,932
April	39,173	237	10,376	2,369	−10,000	16,930	46,333	2,976,597
May	203,740	261	10,715	2,369	14,000	16,210	223,969	3,167,514
June	3,747	69,118	10,815	2,369	274,300	20,384	5,176	3,227,194
July	49,371	18	10,989	2,262	−10,000	19,389	52,309	3,263,332
August	211,685	79	11,024	2,262	[6] 5,161	28,359	236,657	3,461,811
September	3,435	600	11,758	2,262	218,300	31,463	5,358	3,451,915
October	43,949	100	11,924	2,526	−12,000	31,487	46,932	3,481,514

[1] Beginning July 1940, trust fund appropriations equal taxes collected under the Federal Insurance Contributions Act.
[2] Interest on investments held is credited annually in June; on investments redeemed, in month of redemption.
[3] Based on checks cashed and returned to the Treasury.
[4] Minus figures represent net total of notes redeemed.
[5] Prior to July 1940, includes balance of appropriation available for transfer.
[6] Includes $161,000 accrued interest paid on investments.

Source: Compiled from data in the Daily Statement of the U. S. Treasury.

Table 5.—*Status of the railroad retirement account, by specified period, 1936–42*

[In thousands]

Period	Receipts			Transfers from appropriation to trust fund	Benefit payments [1]	Assets at end of period			
	Amount appropriated	Interest received	Total			3-percent special Treasury notes	To credit of appropriation [2]	To credit of disbursing officer	Total
Cumulative through October 1942	[3] $854,151	$11,798	$865,949	$785,451	$589,203	$196,000	$68,851	$11,895	$276,745
Fiscal year:									
Through June 1938	146,500	1,411	147,911	146,406	79,849	66,200	234	1,628	68,062
1938–39	118,250	2,202	120,452	107,094	105,774	67,200	13,206	2,334	82,740
1939–40	120,150	2,283	122,433	120,650	113,099	79,400	10,847	1,826	92,073
1940–41	[3] 113,600	2,534	116,134	124,350	121,174	74,000	2,503	10,530	87,033
1941–42	140,850	3,143	143,993	140,850	126,244	91,500	1,597	11,686	104,782
1942–43 (through October)	214,801	225	215,026	146,101	43,064	196,000	68,851	11,895	276,745
1941									
October		97	97	31,500	10,596	112,000	63,103	11,350	186,452
November		124	124	0	10,357	101,500	63,128	11,592	176,220
December		156	156	0	10,699	90,500	63,160	12,017	165,677
1942									
January		176	176	31,500	10,485	111,500	31,687	12,181	155,368
February		193	193	0	10,458	101,500	31,702	11,901	145,103
March		215	215	0	10,691	91,000	31,718	11,910	134,628
April		233	233	31,500	10,776	112,000	238	11,846	124,085
May		259	259	0	10,393	101,500	264	12,186	113,950
June		1,591	1,591	0	10,759	91,500	1,597	11,686	104,782
July	214,801	14	214,815	112,601	10,820	195,000	102,239	11,540	308,777
August		46	46	0	10,721	184,000	113,289	813	298,102
September		73	73	0	10,718	173,000	102,328	12,130	287,458
October		92	92	33,500	10,805	196,000	68,851	11,895	276,745

[1] Based on checks cashed and returned to the Treasury.
[2] Represents balances in appropriation and trust fund accounts, including net credit from adjustments such as cancelations and repayments.
[3] Appropriation reduced by transfer of $9 million in October 1940 to prior-service account for collection of service and compensation data of railroad workers prior to 1937.

Source: Compiled from data in the Daily Statement of the U. S. Treasury.

congressional appropriation to the trust fund for paying benefits for the quarter October–December (table 5). Benefit payments in October amounted to $10.8 million, which, after a credit of $92,000 in interest, reduced the assets of the account from $288 million to $277 million. Assets on October 31 consisted of $196 million in 3-percent special Treasury notes, $68.9 million in the appropriation account, and $11.9 million to the credit of the disbursing officer.

Unemployment Trust Fund

Receipts of the unemployment trust fund amounted to $29.9 million in October (table 6). The Railroad Retirement Board deposited $95,000 of this amount in the railroad unemployment insurance account; $20,000 consisted of undistributed interest on redeemed notes; and $49.8 million was deposited by the States to their accounts. Withdrawals from State accounts during October for benefit payments totaled $15.5 million, the lowest monthly amount since all States have been paying benefits and 65 percent below withdrawals in March, the highest month of 1942. Railroad unemployment insurance benefits of $197,000 in October were $10,000 less than the September total and $418,000 below that of October 1941.

Total assets of the fund as of October 31 reached $3,405 million, 34 percent more than the total at the end of October 1941. The fund acquired an additional $38 million of 2⅛-percent special certificates of indebtedness, 1943 series, raising its total investments to $3,397 million.

Table 6.—*Status of the unemployment trust fund, by specified period, 1936–42* [1]

[In thousands]

Period	Total assets at end of period	Net total of Treasury certificates and bonds acquired [2]	Unexpended balance at end of period	Undistributed interest at end of period [3]	State accounts				Railroad unemployment insurance account			
					Deposits	Interest credited	Withdrawals [4]	Balance at end of period	Deposits	Interest credited	Benefit payments	Balance at end of period [4] [5]
Cumulative through October 1942	$3,404,682	[6] $3,397,159	$7,523	$20	$5,043,672	$190,298	$2,122,780	$3,111,190	$203,678	$8,694	$42,185	$293,470
Fiscal years:												
1936–37	312,389	293,396	94	----------	291,703	2,737	1,000	312,389	----------	----------	----------	----------
1937–38	884,247	559,705	12,247	----------	747,660	15,172	190,975	884,247	----------	----------	----------	----------
1938–39	1,280,539	395,000	13,539	----------	811,251	26,837	441,795	1,280,539	----------	----------	----------	----------
1939–40	1,724,862	443,000	14,862	----------	859,864	37,524	484,764	1,693,164	44,249	202	14,552	31,699
1940–41	2,283,658	563,000	10,658	----------	892,023	45,893	537,343	2,093,737	61,347	3,059	17,784	189,921
1941–42	3,150,103	866,000	11,103	----------	1,095,991	61,998	368,070	2,883,654	76,266	5,424	9,072	266,447
4 months ended:												
October 1940	1,824,962	111,000	3,962	68	266,433	133	271,558	1,688,171	14,652	3	3,609	136,723
October 1941	2,541,283	265,000	3,283	33	334,997	55	96,243	2,332,547	16,932	5	2,064	208,703
October 1942	3,404,682	[6] 258,159	7,523	20	326,323	46	98,832	3,111,190	21,817	10	777	293,470
1941												
October	2,541,283	59,000	3,283	33	73,654	----------	19,408	2,332,547	78	----------	615	208,703
November	2,712,734	168,000	6,734	33	191,377	----------	20,203	2,503,721	845	----------	567	208,980
December	2,744,358	26,000	12,358	----------	12,026	28,694	28,042	2,516,399	17,288	2,510	820	227,958
1942												
January	2,775,418	39,000	4,418	18	75,307	----------	43,104	2,548,602	96	----------	1,257	226,797
February	2,939,810	152,000	16,810	37	202,170	----------	37,178	2,713,594	707	----------	1,326	226,178
March	2,923,153	−13,000	13,153	----------	9,130	130	44,666	2,678,188	20,116	11	1,342	244,963
April	2,928,424	4,000	14,424	137	43,169	----------	37,136	2,684,221	4	----------	903	244,064
May	3,115,015	192,000	9,015	137	219,232	----------	32,709	2,870,744	616	----------	549	244,131
June	3,150,103	33,000	11,103	----------	8,582	33,118	28,790	2,883,654	19,661	2,898	243	266,447
July	3,170,833	23,000	8,833	6	51,883	----------	31,050	2,904,487	78	----------	187	266,338
August	3,364,170	[6] 190,159	12,010	6	215,907	----------	29,798	3,090,596	1,440	----------	185	273,566
September	3,370,417	7,000	11,258	----------	8,720	46	22,519	3,076,843	20,203	10	207	293,572
October	3,404,682	38,000	7,523	20	49,813	----------	15,466	3,111,190	95	----------	197	293,470

[1] Beginning July 1939, contains separate book account for railroad unemployment insurance account, in which are held moneys deposited by the Railroad Retirement Board and from which the Secretary of the Treasury makes benefit payments as certified by the Railroad Retirement Board. Trust fund maintains separate account for each State agency, in which are held all moneys deposited from State unemployment funds and from which State agencies withdraw amounts as required for benefit payments.

[2] Minus figures represent net total of certificates redeemed.

[3] Interest on redeemed Treasury certificates, received by fund at time of redemption but credited to separate book accounts only in last month of each quarter.

[4] Includes transfers from State accounts to railroad unemployment insurance account amounting to $105,901,000.

[5] Includes transfers from railroad unemployment insurance administration fund amounting to $17,382,967.

[6] Includes $159,000 accrued interest paid on investments.

Source: Compiled from data in the Daily Statement of the U. S. Treasury.

Recent Publications in the Field of Social Security

WAR AND SOCIAL SERVICES

American Management Association. *Industrial Manpower Controls.* New York: The Association, 1942. 32 pp. (Personnel Series, No. 60.)

Contains: The WMC Tackles the Manpower Problem, by Fowler V. Harper; Manpower Needs of the Armed Services, by Lewis B. Hershey; The Government's Manpower Problem, by Arthur S. Flemming; and a panel discussion on Control of Manpower.

Biddle, Eric H. *Manpower; A Summary of the British Experience.* Chicago: Public Administration Service, 1942. 28 pp. (Publication No. 84.)

Billig, Thomas C. "Social Security and the Soldier—A Problem in National Defense." *American Law School Review,* St. Paul, Vol. 9, No. 13 (May 1942), pp. 1532–1537.

The social security problems of service men and proposed solutions looking toward amendment of the Social Security Act in the insurance and assistance fields. Includes information on legislation already passed.

Children's Bureau Commission on Children in Wartime. *First Meeting—March 16–18, 1942; Washington, D.C.* Washington: The Bureau, 1942. 122 pp. Processed.

Recommendations adopted, summaries of discussion, and addresses by Frances Perkins, Paul V. McNutt, Hugh R. Jackson, Katharine F. Lenroot, and Mrs. Franklin D. Roosevelt. Social security services, day nurseries, and child health and protection are among the topics discussed.

Clague, Ewan. "Security in Wartime and After." *Jewish Social Service Quarterly,* New York, Vol. 19, No. 1 (September 1942), pp. 26–42.

Cohen, Wilbur J., Editor. *War and Post-War Social Security; The Outlines of an Expanded Program.* Washington: American Council on Public Affairs, 1942. 89 pp.

Nine papers by Federal officials, labor executives, and the Chief of the International Labor Office Social Insurance Section: Fundamental Principles, by Smith Simpson; Fundamental Programs, by Osvald Stein; War and Post-War Problems, by Arthur J. Altmeyer; Next Steps and Future Goals, by Wilbur J. Cohen; Reorganization of Unemployment Compensation, by William Haber; The Old-Age and Survivors Insurance Program, by John J. Corson; Mobilizatión for Health Security, by I. S. Falk; Toward Domestic Defense, by Robert J. Watt; and Toward Industrial Democracy, by Clinton S. Golden.

Corson, John J. "Recruiting War Workers." *American Federationist,* Washington, Vol. 49, No. 10 (October 1942), pp. 26–28.

Davis, Frank G. "War Economics and Negro Labor." *Quarterly Review of Higher Education Among Negroes,* Charlotte, N. C., Vol. 10, No. 3 (July 1942), pp. 133–168.

Gavit, Bernard C. "The War Manpower Program and the Lawyer." *Commercial Law Journal,* Chicago, Vol. 47, No. 9 (September 1942), pp. 276–279.

Legal aspects of manpower controls and the place of the lawyer in the war program.

Great Britain. British Information Services. *Control of Manpower in Britain.* New York: The Services, 1942. 18 pp. (Information Division, I. D. 313.)

Deals concisely with government powers, manpower statistics, military service, training for industry and allocation to industry, enforcement of controls, and present tendencies of British manpower policy.

Great Britain. War Office. *Pay and Allowances of the Armed Forces.* London: H. M. Stationery Office, 1942. 6 pp. (Parliament, Papers by Command, No. 6385.)

Hollister, Judd L. "Manpower Board Undertakes to Allocate Civilian Doctors." *Medical Economics,* Rutherford, N. J., Vol. 20, No. 2 (November 1942), pp. 37–40 ff.

Labor in Wartime, edited by David F. Cavers. *Law and Contemporary Problems,* Durham, N. C., Vol. 9, No. 3 (Summer 1942), pp. 371–578. Entire issue.

Included in this collection of 12 articles are the following studies of the labor market: The Labor Force: Its Recruitment and Training, by John J. Corson; Allocation of Manpower, by Collis Stocking; Some Legal Aspects of Wartime Labor Mobilization, by Bernice Lotwin and Reginald G. Conley; Wartime Methods of Dealing With Labor in Great Britain and the Dominions, by Margaret H. Schoenfeld and Anice L. Whitney; and Labor Mobilization in the National Socialist New Order, by Franz Neumann.

Louisiana. State Department of Public Welfare. *Public Welfare and the War Effort in Louisiana.* Place not given, Sept. 28, 1942. 25 pp. Processed.

Considers changes in living standards, effects of wartime conditions on intake and closings, selective service and dependency, population changes and migration, medical care, labor supply, and the participation of the Welfare Department in the war effort.

Malisoff, Harry. "United States Pension and Compensation Payments." *International Labour Review,* Montreal, Vol. 46, No. 5 (November 1942), pp. 569–577.

Tables and text explaining veterans' pensions in the United States.

"Manpower: An Army of 7,500,000 Men With Draft of 18-Year-Olds Is First Step in Solution." *Life,* New York, Vol. 13, No. 17 (Oct. 26, 1942), pp. 29–37.

McNutt, Paul V. "Hospitals in the War." *Hospitals*, Chicago, Vol. 16, No. 11 (November 1942), pp. 19–23.

Metz, Harold W. *Is There Enough Manpower?* Washington: Brookings Institution, 1942. 25 pp. (Pamphlet No. 45.)

How a great increase in the Army and Navy is likely to affect the employment of women and young persons, hours of labor, taxes and savings, and the importation of Latin-American labor.

"Mobilisation of Labour for War Work in Australia." *International Labour Review*, Montreal, Vol. 46, No. 5 (November 1942), pp. 591–594.

Princeton University. Department of Economics and Social Institutions. Industrial Relations Section. *Problems and Policies in Industrial Relations in a War Economy; Selected References.* Fifth Supplement, Aug. 15, 1942. Princeton, N. J.: The Section, 1942. 38 pp.

Richardson, William Alan. "The Procurement of Doctors for the Armed Services." *Medical Economics*, Rutherford, N. J., Vol. 20, No. 2 (November 1942), pp. 44–46 ff.

Stewart, Bryce M. *Wage and Manpower Controls in Canada.* New York: American Management Association, 1942. 16 pp. (Personnel Management Series, No. 59.)

Stewart, Maxwell S. *After the War?* New York: Public Affairs Committee, 1942. 32 pp. (Public Affairs Pamphlet No. 73.)

A general summary of post-war reconstruction problems, including employment security, health services, living standards, and international security.

Taft, Charles P. "Medical Care and Hospital Service in the War Effort." *Hospitals*, Chicago, Vol. 16, No. 11 (November 1942), pp. 24–27.

U. S. Congress. House. Select Committee Investigating National Defense Migration. *Hearings, Part 34: Washington Hearings, Sept. 15, 16, and 17, 1942.* Washington: U. S. Government Printing Office, 1942. 263 pp. (77th Cong., 2d sess.)

Statements and testimony on various aspects of the manpower problem by James P. Mitchell, Lewis B. Hershey, Wendell Lund, Paul V. McNutt, Frank J. McSherry, Donald M. Nelson, John J. Corson, and others.

U. S. Congress. House. Select Committee Investigating National Defense Migration. *National Defense Migration: Sixth Interim Report—Changes Needed for Effective Mobilization of Manpower.* Washington: U. S. Government Printing Office, Oct. 20, 1942. 43 pp. (77th Cong., 2d sess. H. Rept. 2589.)

Advocates formation of an independent over-all agency, the Office of War Mobilization, to be manned by civilians and to include four main divisions: Office of Production and Supply, Office of Manpower Supply, Office of Technological Mobilization, and Office of Economic Stabilization.

U. S. Federal Security Agency. *War Production Occupations Issued by the War Manpower Commission for Which Vocational Training for War Production Workers May Be Given When Need for Training Is Established.* Revised 1942. Washington: U. S. Government Printing Office, 1942. 122 pp. Processed.

A revision of the *List of Occupations* first issued in 1941. Lists 655 occupations selected for vocational instruction. Prepared by the Occupational Analysis Section of the U. S. Employment Service, Bureau of Employment Security, Social Security Board, in cooperation with the Division of Vocational Training for War Production Workers, U. S. Office of Education.

U. S. War Manpower Commission. Management-Labor Policy Committee. *Interim Report, Nov. 9, 1942.* Washington: The Committee, 1942. 6 pp. Processed.

The Committee, Arthur S. Flemming presiding officer, notes probable manpower requirements and makes recommendations for "prompt and vigorous action along several related lines" and "centralized authority and responsibility for determination of the overall manpower program."

GENERAL

Chase, Stuart. *Goals for America; A Budget of Our Needs and Resources; Guide Lines to America's Future as Reported to the Twentieth Century Fund.* New York: The Fund, 1942. 134 pp.

The second in the author's "series of exploratory reports on post-war problems" surveys the broad field of economic security, including especially food, shelter, clothing, health, and education. Discusses the problems involved in providing higher living standards and notes the steps already taken as well as others considered essential.

Color: Unfinished Business of Democracy, edited by Paul Kellogg. *Survey Graphic*, New York, Vol. 31, No. 11 (November 1942), pp. 453–576. Entire issue.

Twenty-three articles, dealing with the United States, Latin America, Africa, and Asia, make up this number in the "Calling America" series.

"The First Inter-American Conference on Social Security." *International Labour Review*, Montreal, Vol. 46, No. 5 (November 1942), pp. 606–618.

A comprehensive summary of the September meeting in Santiago, Chile, with the text of the resolutions adopted.

Hansen, Alvin H., and Greer, Guy. "Toward Full Use of Our Resources." *Fortune*, New York, Vol. 36, No. 5 (November 1942), pp. 130–133 ff.

The problem of maintaining employment in the post-war period, with analyses of national income, investments (including social security contributions), urban planning, and government finance.

Inter-American Affairs, 1941: An Annual Survey. No. 1. Edited by Arthur P. Whitaker. New York: Columbia University Press, 1942. 240 pp.

Contains reviews by various authorities of recent trends in Latin America, the United States, and Canada. William J. Schurz contributes the paper on Public Health, Social Welfare, and Labor.

LEE, CHARLES HENRY. "Labor and Social Security Legislation in Latin America." *Notre Dame Lawyer*, Notre Dame, Ind., Vol. 17, No. 3 (March 1942), pp. 189–215.

MONROE, DAY; PENNELL, MARYLAND Y.; PRATT, MARY RUTH; and DEPUY, GERALDINE S. *Family Spending and Saving as Related to Age of Wife and Age and Number of Children.* Washington: Bureau of Home Economics, U. S. Department of Agriculture, 1942. 126 pp. Processed. (Department of Agriculture, Miscellaneous Publication No. 489.)

Based on material from the Consumer Purchases Study.

"A New Maternity Protection Act in Germany." *International Labour Review*, Montreal, Vol. 46, No. 5 (November 1942), pp. 598–601.

Reviews the German act of May 17, 1942.

"Organized for Service: Structure of the Railroad Retirement Board." *Monthly Review of the Railroad Retirement Board*, Chicago, Vol. 3, No. 8 (September 1942), pp. 207–212. Processed.

OWEN, EUGENE D. "Sources of Information on Social and Labor Problems in Brazil, Part II." *Bulletin of the Pan American Union*, Washington, Vol. 76, No. 11 (November 1942), pp. 621–626.

PERU. CAJA NACIONAL DE SEGURO SOCIAL. *Informaciones Sociales*, Lima, Vol. 6, No. 2 (2d quarter 1942), pp. 135–194, plus tables. Entire issue.

A report and financial statement of the Peruvian National Social Insurance Fund for 1941.

ROWNTREE, B. SEEBOHM. *Poverty and Progress; A Second Social Survey of York.* 2d ed. London, New York, etc.: Longmans, Green, 1942. 540 pp.

A sequel to the author's study published in 1901 under the title *Poverty: A Study of Town Life*, which portrayed working-class conditions in York as of 1899. The current work is based on a house-to-house canvass, comprising 57 percent of the city's population, in 1935. It is a record, with many case histories, of virtually every person in York earning less than £250 annually. Social insurance, unemployment, public aid, and the question of family allowances as an offset to poverty are among the topics discussed.

UNDERHILL, H. FABIAN. "The Incidence of Payroll Taxes." *Quarterly Journal of Economics*, Cambridge, Mass., Vol. 57, No. 1 (November 1942), pp. 160–162.

Advances "some minor points" which, in the author's view, "will in some degree affect the incidence in specific industries or firms within an industry."

WOOTTON, BARBARA. "Chaos in the Social Services." *Sociological Review*, Malvern, Eng., Vol. 34, Nos. 1 and 2 (January–April 1942), pp. 1–11.

Contains a chart showing the 13 principal British social services, their legal base, conditions of payment, amount of contributions, weekly rates of benefit, and related facts, as of April 1, 1942. Includes comments on anomalies and suggestions for greater consistency.

OLD-AGE AND SURVIVORS INSURANCE

BURGER, ALVIN A., and TEGNELL, G. GORDON. *The Unsoundness of New Jersey's Police and Firemen's Pension Funds.* Newark: Department of Governmental Research, New Jersey State Chamber of Commerce, 1942. 14 pp.

Includes recommendations for a State-wide system requiring contributions from the municipalities, individuals, and the State government.

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